

High hopes for US footwear market

By Muluken Yewondwossen

Ethiopia is vying to export leather footwear to the US market under a special export promotion program launched jointly by the Ministry of Trade and Industry and the USAID funded Agribusiness and Trade Expansion Program, USAID - ATEP.

Prominent industry experts from the US, fielded by USAID ATEP, began looking into the potential for Ethiopia to export to the world's biggest footwear market more than a year ago.

They talked to several US footwear buyers in a bid to introduce Ethiopia to them as a new source.

The process also involved screening and selecting footwear factories capable of meeting stringent US requirements, product development and adaptation and showcasing what Ethiopia has to offer to potential buyers.

The visiting experts selected six producers namely Anbessa, Kangaroo, OK Jamaica, Pea Cock and Walia.

Ethiopia managed to impress these industry leaders with quality and well-priced products. Some eight US footwear companies, with a joint turnover of more than three billion US dollars have shown serious interest in developing the opportunity.

Four of these companies have placed test orders and our sources



Ethiopian leather products at the All African leather fair

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say Ethiopian footwear company Dire Industries through its subsidiary, Pea Cock Shoes, exported the first last week.

Another test order is due to be shipped off at the end of the month by Pea Cock Shoes and Anbessa, while more test orders are expected.

The breakthrough export of footwear from Ethiopia to the US market signals significant progress for the industry.

To help the factories build the necessary capacity in terms of

production, management and customer services, the USAID funded program engaged a high profile American technical expert to advise and mentor producers over the last six months.

Other footwear factories that have the capacity to produce high export quality shoes will be included in the program in the next six months if the agreement continues to go well.

Interest from the US footwear market in Ethiopia, brings exciting

new opportunities for growth in the Ethiopian leather sector.

The current national production capacity of footwear is estimated at about 20,000 pairs per day. The government plans to increase this to no less than 70,000 by 2010.

The hope is that manufacturing finished goods in Ethiopia will add revenue and keep added value within the country. The government wants to discourage the current situation where low value semi-processed hides and skins leave the country and value is added elsewhere.

This in turn will add value to livestock, increasing the value of hides and skins through strategic endeavors to export finished consumer goods. This will put more money into the pockets of the Ethiopian farmer and address poverty at its root.

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With such huge potential for growth the sector could also become a valuable foreign exchange earner in years to come.