

CONGRESS REPORT

An amazing congress!

The 18th International Technical Footwear Congress of UITIC (International Union of Shoe Industry Technicians) has just ended, marking a resounding success. From 13 to 16 November, more than 300 participants met in Guangzhou, China, to discuss a topic that is critical to the future of the industry: Social Responsibility.

The congress was successful in more ways than one: working with a subject as sensitive as it is strategic, the event managed to bring together a representative sampling of the international footwear industry with professionals and experts from nearly 30 countries, including 100 foreign attendees from outside China.

Impeccably organized by UITIC and the China Leather Industry Association (CLIA) in an ideal setting, the Shangri-La Hotel in Guangzhou, the discussions were convincing for the world's biggest names in footwear and prestigious brands. Numerous international professional federations were on hand, notably the European Confederation of the Footwear Industry.

The extremely high technical and scientific quality of the 37 presentations and posters proposed by international experts made it possible to showcase innovative and operational solutions in all areas of CSR. The tours of the Belle Group and Huajian Group factories conducted at the start of the congress were also interesting from technological and industrial perspectives. Finally, the Pearl River Delta won the hearts of the participants during an unforgettable dinner aboard a boat...

The UITIC Executive Committee would like to thank everyone involved for this successful event:

- The attendees for their presence and their active involvement,
 - The presenters and speakers,
 - Manufacturers Belle Group and Huajian Group for organizing site visits,
 - Xinhaopan Group, our exclusive sponsor,
 - The sponsors of the congress,
- And a special thanks for CLIA and its major contribution to the success of this congress.

Find all the presentations & pictures on www.uitic.org/congress

Global overview of the international footwear industry

Introducing the presentations during the congress, Peter T. Mangione, Managing Director of Global Footwear Partnership LLC proposed a passionate overview of the global footwear industry, with both CSR and Marketing point of view.

Global shoe sector growth has slowed following the uptick after the great recession 2008-10, most notably in the EU, but even in China. The US is doing somewhat better but no take-off yet. Despite higher costs and labor challenges, China remains the irreplaceable source for many

shoe categories - women's fashion, low price, etc. Sport shoes and outdoor items have accelerated their move out of China. Niche shoe production will strengthen in some emerging shoe markets - Vietnam, Cambodia, Bangladesh, India, as well as in Ethiopia, Latin America. But none will draw the massive infrastructure investment needed to supplant China's unparalleled inventory of shoe supply chain investment. While costs and labor issues will continue to plague shoe production in China, they will not derail its dominance anytime soon.

Country	Production	Exports	Imports
China	13,700 (3.0)	10,071 (2.0)	50 (21)
India	2,065 (0)	115 (0)	79 (0)
Vietnam	982 (5.0)	910 (4.0)	100 (10)
Brazil	864 (5.5)	113 (0.3)	36 (4.9)
Indonesia	740 (6.7)	321 (7.0)	33 (10.0)
EU	592 (2.0)	217 (11.9)	2,287.5 (-10.4)
Thailand	250 (-10.0)	110 (-20.0)	45 (0)
Mexico	265 (4.7)	26 (18.2)	77 (15.0)
Korea	85 (6.3)	30 (22.0)	169 (30.0)
Japan	69.2 (-6.5)	1.2 (0)	629 (1.6)
Taiwan	40 (0)	17.2 (3.6)	75 (5.6)

World Footwear Supply, Selected Countries (millions of pairs), 2012
Source: Industry estimates. () % of change

Petr HLAVÁČEK passed away



It is with deep regret that we learned about the unexpected death of Petr Hlaváček from Czech Footwear and Leather Association and the entire academic community, Tomas Bata University in Zlín. As a world-renowned shoe expert and wellknown professor for footwear and foot hygiene at the Tomas Bata University in Zlín

(Czech Republic), Petr initiated numerous research projects on footwear.

Petr Hlaváček brought a lot to the footwear industry and his participation in the last UITIC Congress was a real success, with an amazing speech about child footwear "New possibilities to predict the speed of children's feet growing

up". This project seeking for possibilities to forecast the growth patterns of children's feet. The goal is to develop a software programme which informs parents and shop assistants about how long a pair of shoes can be worn before it will be too small and potentially damage the child's feet.

The opening session speech of the Congress



Mr Yves Morin,
President of UITIC

Nihao, Good morning
Ladies and Gentlemen,

It is a pleasure and an honor for me to welcome you to the inaugural session of the "18th International Technical Footwear Congress of UITIC".

In addition to the welcome by Mr Ly Yuzong, I would like to acknowledge the presence of the following persons:

- Mr Cesar Orgiles Barcelo, Honorary Member of UITIC and former President of UITIC during 19 years,
- Mr Florian Beranek, Expert representative from UNIDO,
- Mr Peter Mangione, Expert and former President of the Footwear Distributors and Retailers of America during 30 years,
- Mr Liu Suilong, President of Xin Hao Pan Group, the exclusive sponsor of the Congress, without its strong support nothing would have been possible,

I would also like to thank those who participated all over the world in the preparation of this Congress,

- Mr Su Chaoying, Chairman of the China Leather Industry Association, organizer of the Congress, and his team, and especially Mrs Nie Yumei and Mr Lu Hua,
- Thanks also to the UITIC Executive Committee Members and UITIC Scientific Committee Members,
- With a special mention to Françoise Nicolas, General Secretary of UITIC and her team at CTC, and especially to Charlie Zhu,
- Thanks also to the Sponsors of the Congress,
- And to the companies, Huajian Group and Belle, who opened their doors yesterday for the visits,
- a Thanks also to the Speakers and the Chairmen of the sessions,

And finally welcome to the Members of UITIC, the Members of AFTIC and welcome to everybody.

As an introduction I would like to bring to mind some ideas.

The Footwear industry has a long history and I think it has a bright future.

Firstly, we are growing rapidly and worldwide production has now reached 21 billion pairs of shoes in 2012, following trends in popula-

tion growth and the improvement of living standards in every country.

Secondly, we have the opportunity to work for an industry which is very popular. Whether it be in fashion magazines, on TV shows, or on the feet of movie stars, everyone is fond of shoes. Footwear used to be referred to as an "Accessory" in the fashion industry. It is now considered a "Key element" of fashion. Our products, brands and companies are now under the spotlight and we need to take this into account.

At the same time, the footwear industry is facing new challenges such as the cost of labor, cost of materials, availability of leather and prices of finished product, all increasing continuously.

To add to this, consumers and NGO's have new expectations. They are demanding greater transparency, they want to know how and where products were manufactured, which substances were used, whether the products are safe for their health, was there any water pollution coming from the tanneries, what were the working conditions applied like, why did a building collapse on employees?

Do you know that within the 34 countries members of the **O.E.C.D.**, 50% of the population says that they are concerned by **social responsibility**?

So **it is the right time** to ask questions about our social, environmental and economic impacts on the global economy.

The theme of this year's 18th UITIC Congress, **"Social Responsibility: a challenge for the footwear industry"**, will allow our experts to present tools and innovative solutions to help companies to open their mind and better understand this matter and act properly. The high-end technological speeches will demonstrate that Social Responsibility can be a source of opportunity for the footwear industry, in order to improve the manufacturing process and meet the market expectations as well. To my knowledge, this is the very first time in our industry, that such an international event will address Social Responsibility as a global concept, in respect of the ISO 26 000 standard.

This UITIC Congress is **also the right place** to think about this important issue for the industry.

There are 27 countries members of **UITIC** association, representing 90% of the world shoe business, so I hope that attending this international event will allow each of you to exchange with experts and colleagues coming from both production and consumer countries.

Additionally, China being the host country this year, and being the worldwide leader, mainly in this Guangdong province, it is a strong signal that the whole footwear industry will now consider sustainability as a new way of management.

Most other industries do not realize yet that the world is changing, they do not pay enough attention to sustainability. The Footwear industry could build an innovative model with a new **manufacturing process** establishing a fruitful dialogue with its different stakeholders.

Of course it will not be a peaceful path.

At the beginning it will cost money in changing our way of working, for example considering Eco-design when creating a new collection rather than rushing to production, investing in health and safety to protect the workers, improving the employee benefits plans to retain the staff, and paying overtime to the employees rather than asking them for money when they are late for their job.

We will have also to pay more attention to the intellectual property and fight against counterfeiting to respect the brands, the products and finally the work of our competitors.

But at the end of the day it will be savings for the companies eliminating many hidden costs, using less or better materials, savings in labor cost with well trained and loyal workers, savings in manufacturing using recycled materials and the most efficient equipment in terms of energy, savings by avoiding the return of defective products, savings in marketing actions with customers having long relationships with your brand, savings on a daily basis and probably a lighter environmental footprint as well.

And last but not least, every day your employees will be proud to go to work in a company educating its staff, taking care of the environment, respecting the neighborhood, taking into consideration its consumers and satisfying the citizen as well.

Let's confront this challenge now, from this UITIC Congress which could open the doors to a more equitable and more sustainable development for the footwear industry.

So, I wish everybody a successful conference, and I declare officially open the **"18th International Technical Footwear Congress of UITIC"**!

Xie Xie, Thank you.

CONGRESS REPORT

CSR: a challenge won by the footwear industry?

Organising the 18th UITIC Congress on Corporate Social Responsibility in China was no easy task. That said, the event was a tremendous success. To orchestrate it, UITIC, turned to the most appropriate partner: the Central Leather Industry Association (CLIA), which includes the Chinese footwear, leather-goods and tanning industries.

With approximately 300 participants, 200 of whom were Chinese and 90 of whom were foreign (meaning 'not Chinese'), the Congress was a real success. Seventeen nationalities attended this Congress (Germany, Italy, Spain, United States, Hong Kong, Hungary, India, Indonesia, Mexico, Philippines, Portugal, Czech Republic, United Kingdom, Tunisia, Vietnam), which was a first for a UITIC Congress.

In his opening speech, Yves Morin reviewed all the main themes of Corporate Social Responsibility, insisting on challenges related to safety, the environment, work relations, working conditions, corruption and counterfeiting.

VISITS

The Congress started on 14 November with a visit of the company Huajian (20,000 employees make 20 million pairs of shoes there per year), where many Ethiopians were in training.

Next on the agenda was a visit of the company Belle, China's leading distributor and the world's leading distributor of footwear.



Visit of the company Belle.

"DOING THE RIGHT THINGS"

Florian Beranek, CSR expert for the United Nations Industrial Development Organization (UNIDO), opened the Congress' conferences with awareness-raising on Corporate Social Responsibility. According to him, consumer, client and employee expectations are not limited to compliance with regulatory requirements. These are regulated by texts and laws.

However, consumer expectations encompass much broader notions. The expression 'quality of life' sums up these expectations fairly accurately. The difficulty with a CSR approach is that each culture defines this 'quality of life' in its own way. Considering how hard it can be to identify these expectations

and how many stakeholders can feel impacted, Florian Beranek spoke of a 'black box' of stakeholder expectations. Thus, before working on the effective implementation of a CSR approach, a company should first and foremost make efforts to determine expectations. "Doing the right things" applies to the challenges of Corporate Social Responsibility, i.e. human rights, work relations, working conditions, the environment, loyal practices, consumer issues and regional development.

These were the topics of discussion during the 18th UITIC Congress.

REGIONS OF THE WORLD

Social impact heavily depends on the place of production. Peter Mangione, from the company Global Footwear Partnership (GFP) and former President of the Footwear Distributors and Retailers of America (FDRA) for 30 years, pointed out that 65% of the world's shoes are produced in China. This situation persists for all categories of shoes, despite sharply increasing labour costs. China has the highest labour costs in Asia (they multiplied by five from 2005 to 2013, rising from \$0.45 to \$1.9/hour). China is expected to lose its appeal compared to other Asian countries but still has significant advantages, particularly related to its large domestic market and logistical facilities. The most attractive markets in terms of labour costs are currently India, Vietnam, Cambodia and Bangladesh, and the least expensive is Ethiopia.

The second leading shoe-production area is Vietnam, primarily for sports shoes. However, the Vietnamese market has no margin for growth and will never replace China. Indonesia could become a driver for this category of footwear. Furthermore, India has high potential, with trained

workers, low labour costs and a local leather supply.

Peter Mangione affirmed that leather has long been gone from sports shoes. He underlined that in 2011, all shoe categories combined, leather accounted for 29% of instep materials for shoes consumed in the European Union and 32% for the United States. According to him, this material will eventually be reserved for the luxury/up-market segment.

Bangladesh is expected to continue producing: it is sought-out more for its low labour costs than for its compliance with social requirements. Despite growing awareness of CSR in consumer countries, Peter Mangione noted there will likely be continuing demand for this type of low-cost production.

As for consumption areas, China is also in first place with approximately 3.7 billion pairs per year, followed by the European Union (2.6 billion pairs) and the United States (2.3 billion pairs). And yet the most significant growth prospects are expected from China (2.9 pairs per person in China, 5.8 pairs per person in Europe and 7 pairs per person in the United States).

Peter Mangione's macroscopic approach to the production and consumption of shoes highlighted some major social challenges: labour costs fluctuating between geographic areas, staff training, different social and environmental conditions depending on the geographic region, businesses moving as needed by clients, etc.

HIGH-QUALITY PRESENTATIONS

In this context, presentations were given on a wide range of topics related to corporate challenges throughout the two technical days. Here are a few examples:

- **Frederico Brugnoli** (CNR, Italy) suggested incorporating environ-



The Press Conference : Ms. Françoise Nicolas, UITIC General Secretary ; Mr. Liu Sullong, Xinhaopan Group President ; Mr. Yves Morin, UITIC President ; Mr. Su Chaoying, CLIA President.

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Find all the presentations & pictures on www.uitic.org/congress

4

mental aspects into design and production monitoring tools;

- **Antonio Ruiz Mariscal** (CIA-TEC, Mexico) had measured the average lifespan of pairs of shoes for the first time, going so far as to take samples in waste-storage centres. Moreover, regarding access to essential services (ISO 26000 Standard item), Antonio Ruiz Mariscal calculated that 760 million people still walk barefoot;

- **Gnanasundaram Saraswathy** (CSIR, India) presented a biodegradable polyurethane that could be a solution for shoes after use;

- **Carl Heinrich Flach** (Tan Tec, Germany) presented the approach of the Tan Tec Saigon tanning company (28 million sq. feet per year, from wet-blue to finished

leather). Thanks to advanced measurement campaigns, broken down by production stage, all of its consumption has been optimized. The original solutions adopted include: production scraps are recycled to make leather labels for jeans and shoes; 40% of energy comes from solar panels; transparent ceilings and roofs reduce lighting needs; the basin for fire water has been turned into a swimming pool for employees; wastewater is treated with planted reed beds with biomass energy generation;

- **Christophe Cumin** (CTC, France) and Enrique Montiel (INESCOP, Spain) emphasized the significance of developing training and educational resources

to sustain production and attract new talent to footwear industries;

- Consumer protection is a CSR challenge in its own right. Jean-Claude Cannot (CTC, France) highlighted the expectations of consumers, who are increasingly sensitive to Annexes XIV (obligation to communicate and then prohibition) and XVII (restriction) of REACH;

- **The company Deichmann** (Germany) shared its experience. To guarantee levels of quality, environmental friendliness and working conditions, the company carried out audits and developed partnerships with 113 companies to determine levels of compliance and improvements to be made to reach the required levels. This pro-

cess was launched for level (n-1) suppliers and is now being applied to level (n-2) suppliers;

- Other companies such as Anta (China) clearly explained the measures they had taken in the framework of their CSR projects. During the closing ceremony, Jean-Pierre Renaudin, President of the French Footwear Federation and the European Confederation of the Footwear Industry (CEC), commended the flawless organization of this 18th Congress and the quality of its presentations. He invited the participants to mark their calendars for the next CEC Congress, which will be held in Mexico in late November 2014.

UITIC Awards

• César Orgilés Barceló

Scientific award for Cesar Orgiles (INESCOP, Spain); for all of his work as former UITIC President and the scientific activities with the INESCOP.

As Director of INESCOP and as scientist, Cesar Orgiles has promoted innovation in the footwear industry for many years. Author of more than 16 patents, He is an expert in leather and adhesives for footwear. He also paved the way for the commitment of the footwear industry in European projects through the first collaborative research project (CRAFT projects), which was initiated by Inescop and CTC in 1990.

• Michal Špaček

Technical award for Mikael Špaček (ISC Germany) for his contribution in new footwear technology.

He is an internationally recognised "footwear expert", he continues in work of Mr Jan

Pivečka and especially at work for the UNIDO he taught the shoe-making craft quite selflessly to the "poor people" of developing countries. He always tries to find the most economical and effective solutions for them, how to make quality footwear and increase their living standards.

• Marie Claude Gazarossian

Posthumous managerial award for Marie-Claude Gazarossian (AFTIC) for her dedication to AFTIC and UITIC.

As well as her work at CTC, she contributed to the development of the professional associations, UITIC, AFTICTIC and AFTIC, dedicated to technicians of footwear and leather industries. A cornerstone of the company, she always managed to offer her commitment, her energy her excellent organizational abilities and her fantastic interpersonal skills to the benefit of the whole industry. Since 1972, she was

strongly involved in all UITIC events organization

• Jean Pierre Bidegain

"Special press" award for Jean-Pierre Bidegain (Editions Info-cuir) for his great work all around the world to promote the footwear industry.

Through its journals and his attendance in over than 50 professional

trade shows since 1996, Jean Pierre Bidegain highly contributes to the dissemination of information in the leather sector. He has an in-depth knowledge of the footwear and leather sectors at international level and regularly promotes their success stories. As networker, Jean Pierre plays a very active role in all the French associations of technicians to promote their actions



Mr. Yves Morin and César Orgilés during the presentation of the UITIC Awards.

UITIC INFORMATION

New UITIC Executive Committee

The current Executive Committee consists of:

President	Yves MORIN	France
Vice-president	Malek KHELIL	Tunisia
Treasurer	Enrique MONTIEL	Spain
General Secretary	Françoise NICOLAS	France
Members	Sergio DULIO	Italy
	J. Leandro De MELO	Portugal
	V.B. PARVATIKAR	India
	Martyn R. SHORTEN	U.S.A.
	Uwe THAMM	Germany
	Ricardo J. GUERRA SANCHEZ	Mexico
	Li YUZHONG	China



The UITIC Executive Committee.

Minutes of UITIC General Assembly

UITIC General Assembly held on 13th November 2013 as part of the congress in Guangzhou. Minutes of the meeting:

- Approval of UITIC General Assembly's minutes held on 9th October 2013 in Leon
- President's report, reminded to the participants the main tasks led by UITIC during the past three years
- Report by the treasurer Enrique Montiel, informed the attendees about balances of the UITIC's accounts and released the entire financial documents

• UITIC Executive Committee changes.

- Italy: Mr. Cantella is replaced by Mr. Dulio from Atom lab, an Assomac's member.
- Mexico: As Mr. Torreblanca is no longer working for CIATEC, the Mexican footwear center wished that his new general manager, Mr. Ricardo J. Guerra Sánchez be appointed as UITIC EC member. The assembly approved this proposal.
- Brazil: The UITIC Executive Committee invite each member

to improve the participation of the Brazilian IBTEC.

All the other members accept to remain UITIC executive committee members. Mr. Morin thanked them for their participation to UITIC EC.

- Next UITIC congress: 3 countries have expressed an interest to organize it : Tunisia, India and Portugal. The 3 candidates will be reviewed by the Executive Committee.

Pay your membership fees online!

Paying your membership is important to ensure the quality of UITIC activities. You can pay your membership fees for 2014 now.

For the first time, the membership fees can be paid online by PayPal, credit or debit card, via a safe and secure system. You can also pay by bank transfer or cheque: more details at www.uitic.org.

Fees:

- Associations: €65 per group of 100 members / €195 maximum
- Individuals & Technical Centres: €25

UITIC News

Editing

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6

