The UK shoe manufacturing industry is a classic example of how a once traditional and strong industry sector can be decimated by external influences. In this edition of Business Cafe, we take two different looks at the shoe market. In this article we chart the demise of the shoe-making industry and the growth of imports.

Shoe-making in the UK was once a proud, thriving sector. Now, it has almost disappeared. The decline - which started in the 1960's - was slow at first. But it accelerated rapidly in the 1980's and 1990's to the point where the industry is just 20% of its pre-1960's size.

**Decline and Fall**

The main factors behind the decline are:

- Importation of cheaper finished products from low wage economies (e.g. eastern Europe and Turkey)
- A throwaway mentality associated with cheap fashion driven items
- The advent of the trainer as a fashion item and alternative to traditional shoe designs.
- The huge costs involved in replacing machinery to develop and produce footwear/leathergoods using modern materials.

**What is Left?**

The Brits still buy shoes - lots of them. But nearly all of them are imported. The British footwear market was worth about £5 billion to consumers in 2002. As you can see from the chart above, 315 million pairs were sold - mainly by multiple retail chains. Less than 10% of footwear was sold by the traditional, independent retailers.

Imports account for 98% by number of the shoes supplied to the market and increasingly shoes are being sold through “lifestyle retailers” alongside clothing and accessories, and through non-specialist retailers such as supermarkets.

What about UK shoe manufacturers? They still exist. In another article this month we take a look at a significant success story in the market - Hotter Shoes. For the rest, export markets have proved to be the answer, as shown below. Nearly all shoes made in the UK are worn by people overseas.

**Production Case Study**

**What’s Up Doc?**

In one of the largest - and last - closures of mass shoe manufacturing in the UK, Dr Martens have finally shut all its UK factories. The last shift on the production line at Dr Martens factories in the Midlands clocked off in Spring 2003 - leaving just a small team to operate the UK sales and marketing operation for the brand. The owners of Dr Martens - R Grigg Limited - have decided to relocate all production to China where production costs are substantially lower than in the UK.

The closures led to a loss of 1,000 jobs. Shoes had been made at these factories for almost 100 years. The famous Dr Martens brand design started in the 1970's. Not surprisingly, stakeholders in the Dr Martens business reacted negatively to the decision. A spokesman for the factory union explained that “Apart from our members losing their jobs, the closure affects the local communities, suppliers, leather producers, and shoe component producers. This is really going to have a significant knock-on effect”