

Sport & Non Sport Shoes	2001		2002		2003		2004		2005*	
	Quantity (Mil. Pairs)	Value (000 US\$)	Quantity (Mil. Pairs)	Value (000 US\$)	Quantity (Mil. Pairs)	Value (000 US\$)	Quantity (Mil. Pairs)	Value (000 US\$)	Quantity (Mil. Pairs)	Value (000 US\$)
Production	448.08	2,154.20	444.98	2,488.70	536.98	3,223.20	563.80	3,013.40	n.a	
Market share(%) Production in the world	n.a.		n.a.		n.a.		n.a.			
Market share(%) Export	n.a.		n.a.		n.a.		n.a.			
Domestic Consumption	381.59	1,091.15	267.42	1,204.47	275.44	1,803.96	236.05	1,601.82		
<b>Export to Top 5 countries</b>										
1. US	n.a	612	n.a	475	n.a	462	n.a	469	n.a	n.a
2. UK		124		103		90		118		
3. Belgium		118		91		91		91		
4. Germany		79		69		63		78		
5. Japan		65		67		69		73		
6. Others	n.a	507	n.a	343	n.a	407	n.a	491		
Total Export	225.3	1,505	175.3	1,148	181.2	1,182	165.0	1,320	n.a	1,308
Total Import	n.a	66,000	n.a	60,000	n.a	62,000	n.a	56,000	n.a	
Real Investment	n.a	163,750	n.a	191,830	n.a	209,960	n.a	187,600	n.a	

### Opportunity for Investment

Generally, shoe industry has a good future. With such a huge population (213 million people in 2004), Indonesia has a very potential market for foot wear. Globally, Indonesia is an old player with traditional ties to export destination countries in US and Europe. Besides, Indonesia work force is quite experienced that it is easy to follow fashion trend and meet international demand. Indonesia shoe industry is described below, however the writer realizes that there is limitation to this analysis due to data insufficiency. In the future, this will always be improved to present the latest data and news.

### Production-Consumption

National footwear industry fluctuated during 2001-2004. Footwear production during 2001 was 448 million pairs and the amount went through a 0.7% decrease in 2002 with production volume of 445 million pairs. However, in 2004 production volume increased up to 564 million pairs, 25.83% more than the previous year. During that period, average production growth was 8.61%. As mentioned above, Indonesia is a potential market with its huge population, however, during these four years, domestic consumption tended to decrease. This was strongly related to drop in people's purchasing power that was hit by economic crisis and rise in administered price of oil, electricity and telephone. Decrease in domestic consumption during 2001-2004 was as big as 33.8% or equal to 120.5 million pairs.

### Export-Import

From export and import perspective, Indonesia footwear trade balance during 2001-2004 enjoyed a surplus with annual average of 1.23 million USD, whereas average of annual export was 1.29 million USD and was 61 million USD for import. Main export destination countries are US, UK, and Belgium with the value of 505, 109 and 98 thousand per year. Altogether, footwear export trend for 2001-2004 declined, from 225.3 million pairs worth 1.5 million USD in 2001, to 165 million pairs worth 1.3 million USD, meaning that during those period export volume declined about 11.7% in average.

### Investment

Footwear industry is one of Indonesia best commodities, therefore, it's natural that investment kept increasing until 2003. Unfortunately, in 2004, investment in this industry decreased as much as 11.9% compared to the previous year (from 209.9 million USD to 187.6 million USD). This drop was caused by Indonesian economy which is not conducive enough for investment, discouraging any moves from investors.

Source: Department of Industry (modified by KADIN)

Note: \* January-May