

The logo for the British Footwear Association (bfa) consists of the lowercase letters 'bfa' in a white, sans-serif font, centered within a solid purple rectangular background.

British Footwear Association Ltd

BFA NEWS FOR MEMBERS AND FRIENDS OF THE INDUSTRY

JANUARY 2010

REPORT FROM RICHARD KOTTLER, CEO

After the disappointment of the Anti Dumping Duty ruling going unexpectedly against earlier indications and the duties being continued to April 2011, the pre-Christmas trading performance was encouraging. This is reflected in the comments below from some of our members who were asked to give their thoughts for this New Year:

Stuart Lamb of William Lamb said 2010 will be a tough & competitive marketplace for all products including footwear. As consumers face higher taxes, continuing wage freezes and the constant threat of job losses, this will inevitably lead to caution in retail spending. Consequently, consumers will look for all round value and quality in buying their shoes.

Martin Binnendijk of Hi-Tec Sports commented 2010 will be tough... The economic recovery will be slow, ADD continues and an election year always causes certain anxiety, possibly more this time than normal. Still, the same mechanics are applicable: STAYCATION is here to stay, people will of course continue to demand footwear and therefore the market opportunity exists. Building on the momentum of 2009 a number of very exciting partnerships are in the pipeline including an enhancement of 'HI-TEC featuring ion-mask' collections and the introduction of a range of environmentally responsible outdoor products under the HI-TEC ENVIRO category. We expect to continue this energy, grow our stable of satisfied trade customers and ensure even more consumers enjoy HI-TEC shoes.

Khuram Saleem of Unze revealed that with Unze London retail, sales rose 10.% in 5 weeks to January and takings were 8% higher than 2007. Shoe sales were up 39% at Christmas - a sure sign of the end of the UK recession for Unze. Retailers generally had a very good Christmas before the snow set into the UK.

Lynsey Hand of Miss LFire adds a cautionary note: Despite all of the positive signs, we have still reviewed everything we do to the nth degree to make sure that we are offering our customers the best possible product at the best possible price, whilst also keeping our central costs as low as possible. We are actively seeking out ways to expand our business, such as e-tail, more private label business, and new overseas markets. We are also strengthening our teams in both our London and China offices as, of course, good customer service is now more important than ever... I just don't think anyone can really afford to relax in any area of their business at the moment!

Lastly, **Stuart Marsh** referred to the challenges faced by all of us last year - increased labour costs, rising freight costs, ADD etc – but for this year, value for money and not lower quality will be the order of the day. We only get what we pay for and we all know that everything goes wrong when everyone cuts corners. We're strong and ready for 2010!

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New Feature

We are including in this Newsletter a new section where each of the BFA's Board of Directors will introduce themselves and give some views on footwear industry issues. I am sure you will find them interesting. We start with our Chairman, Philip Lockett:

I am **Philip Lockett, Chairman of Dunkelman & Sons Ltd.** It is a family owned business, offering everything to help take care of shoes and I took over the running of the business in 1997. I joined the Board of the BFA in 2006 and was asked to become Chairman in 2007. After some considerable restructuring, I believe that the Board now represents a broader section of the shoe trade and the BFA is financially strong and better placed to help members for the future. We are facing a general election in 2010 and the aftermath will probably mean higher inflation and more tough trading times. The BFA will continue to support members whether through advantageous distribution, assistance with shows and/or training in many forms. I feel privileged to work in an exciting, friendly industry that I am confident will continue to prosper in the UK.

Training Support Programme

I have mentioned the success of the BFA Training Support Programme and the attached article from a recent edition of Footwear and Fashion Extras shows the impact it has made already. We look forward to receiving more requests for support from our members.

New Members

We are pleased to welcome new members: ZG UK Ltd/Zimo Shoes and Ascot International Sports & Footwear Ltd.

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National Conference Agreement 2010. Following on from the negotiations in December, Community trade union has put the employers' proposal to its members and we await their response. elaine@britfoot.com



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2010 Legislation in Brief.

Medical Information. Legislation to change the format and content of medical statements to enable the doctor to say that the patient "may be fit for some work now" to facilitate the patient's return to work. April 2010.

Discrimination – Equality Bill. The aims of the bill are to consolidate existing discrimination law throughout 2010.

Additional Paternity Leave Regulations 2010. Additional paternity leave will be available for fathers at 20 weeks after the birth of the child for a maximum of 26 weeks, if the mother returns to work. The remainder of the mother's statutory maternity pay will be paid to the father. April 2010. With effect for parents of babies due on or after 3 April 2011.

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BLC wins project to help European brands source leather from Mexico.

BLC has received funding from COFOCE to support European footwear brands who wish to examine potential leather suppliers in Mexico. BLC has been working closely with ten leather manufacturers in Mexico to improve environmental stewardship, provide chemical testing advice, and ensure compliance to EU and typical brand chemical specifications. Through the project BLC is able to provide financial support for flights and local accommodation for up to 5 EU footwear brands interested in examining this opportunity. The financial support is only available up to the end of March 2010. The project is looking for brands that are established within the supply chain and are looking for alternative leather sources. Funding has been provided by the EU through COFOCE, the Guanajuato World Trade Commission, a decentralized institution of the Government of the State of Guanajuato whose objective is to position the state's products and services in the international marketplace. For more details of the opportunity and further information on the leathers produced by the tanners please contact **Victoria Addy at BLC on +44 (0)1604 679999 or e-mail vikki@blcleathertech.com**

The UK Fashion & Textile Association has appointed Eric Musgrave, former Editorial Director of Drapers, to succeed John Wilson when he retires as Director-General of UKFT this summer.

Skillfast-UK – the future. During 2009, the UK Commission for Employment and Skills undertook an assessment of all Sector Skills Councils and the Government issued a new White Paper on Skills which significantly reduced the number of SSC's. As a result, Skillfast-UK will cease to be a Sector Skills Council on 31 March 2010 and Skillset – the SSC for creative media industries – will take over representation for the fashion and textiles sector. For further information, employers can e mail handover@skillfast-uk.org or telephone **0844 561 1548**.