the footprint

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A platform of people worldwide who make the footwear, leather and allied industry work.



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EDITORS NOTE

Footprint September Edition is Here!

As September unfolds, Bangladesh's leather and footwear industry continues to navigate a rapidly changing global market. Shifting sourcing patterns, growing export opportunities, and rising environmental expectations are creating both new possibilities and important challenges for the sector.

This September, *Footprint* highlights three key developments: Bangladesh's growing position in global footwear sourcing, the critical importance of environmental compliance to achieving the country's leather export ambitions, and the implications of the EU Deforestation Regulation (EUDR) for global leather supply chains.

As the industry looks toward greater global competitiveness, sustainability, compliance, and value addition will remain essential. At *Footwear Exchange*, we remain committed to bringing our readers the latest insights and developments shaping the future of Bangladesh's leather and footwear sector.

Bangladesh Footwear Gains Ground as Global Sourcing Patterns Shift

Bangladesh's footwear industry is seeing increased opportunities in the US market as global buyers diversify their sourcing away from China. Recent trade data show that Bangladeshi footwear exports to the United States increased even as overall US footwear imports declined. According to data from the **Office of Textiles and Apparel (OTEXA)**, US imports of footwear from Bangladesh reached **US$226.94 million during January–July 2026**, an increase of **8.98%** compared with US$208.24 million during the same period of 2025. At the same time, total US footwear imports fell by **5.92%**, from US$15.24 billion to US$14.33 billion.

The most significant change has been in China's position in the US market. Chinese footwear shipments to the United States declined by **37.93%**, falling from US$4.14 billion to approximately **US$2.57 billion** during January–July 2026. Bangladesh was among several Asian and regional suppliers that recorded growth during the period, alongside Cambodia, Mexico and Indonesia.

The shift is also visible in Bangladesh's broader footwear export performance. According to Bangladesh's **Export Promotion Bureau (EPB)** data cited by bdnews24, the country exported **US$258.45 million** worth of leather and non-leather footwear during July–August 2026, representing an **11.5% increase** over the same period of the previous year. Leather footwear exports rose **8.91% to US$151.03 million**, while non-leather footwear exports grew **15.29% to US$107.42 million**.



The development indicates a gradual diversification of Bangladesh's footwear export base. While leather footwear remains an important segment, non-leather, synthetic and textile footwear are becoming increasingly significant in the country's international export portfolio. Bangladesh's footwear exports reached a record **US$1.23 billion in FY2025–26**, according to EPB data reported by bdnews24.



Industry representatives, however, point out that capturing a larger share of the shifting global supply chain will depend on Bangladesh's ability to overcome domestic constraints. **Energy shortages, high borrowing costs and limited production capacity** are among the challenges reported by manufacturers. The Financial Express also reported that some exporters are receiving increased enquiries from international buyers but face difficulties expanding capacity because of financing and energy-related constraints.

For Bangladesh, the changing sourcing landscape therefore presents both an opportunity and a challenge. Increased buyer interest can support export diversification, but converting enquiries into sustained orders will require reliable energy supply, competitive production costs, adequate financing, efficient logistics and continued improvement in quality and compliance.

As global footwear brands reassess their sourcing networks, Bangladesh's ability to provide **competitive, reliable and internationally compliant production** will be an important factor in determining how much of the changing global trade flow the country can capture.

Source:
US Office of Textiles and Apparel (OTEXA), EPB,
The Financial Express and bdnews24

Latest Export Data: Snapshot: September 2026

Bangladesh's leather and footwear export sector maintained a positive growth trajectory in **FY 2026–27**, with total exports reaching **USD 519.01 million**, marking **15.4% year-on-year growth**.
The sector's performance was supported by strong contributions from **leather footwear, other footwear, leather products, and leather exports**, reflecting continued demand in international markets.
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FY 2026–27 Export Performance
Leather (HS 41): USD **38.57M** | **+22.8%**
Leather Products (HS 42–43): USD **119.59M** | **+16.4%**
Leather Footwear (HS 6403): USD **208.72M** | **+12.5%**
Other Footwear (HS 64): USD **152.13M** | **+17.0%**

September 2026 Performance
In **September 2026**, the sector recorded total exports of **USD 154.05 million**, registering **20.5% growth** compared with the corresponding period.

Leather: USD **13.23M** | **+13.5%**
Leather Products: USD **38.42M** | **+18.7%**
Leather Footwear: USD **57.69M** | **+22.9%**
Other Footwear: USD **44.71M** | **+21.3%**

Key Takeaway
The September figures indicate a **strong start to FY 2026–27**, with all major export categories recording positive growth. **Leather footwear remained the largest export segment**, while other footwear and leather products also demonstrated strong momentum. Sustaining this growth through **value-added production, product diversification, and stronger global market positioning** will be crucial for Bangladesh's leather and footwear industry.

Source:
Export Promotion Bureau, Bangladesh

Environmental Compliance: The Critical Challenge Behind Bangladesh's US$5 Billion Leather Export Ambition



Bangladesh's leather and footwear industry is targeting **US$5 billion in exports by 2030**, but industry leaders say achieving that ambition will depend heavily on resolving long-standing environmental compliance and infrastructure problems. At the centre of the challenge is the **Central Effluent Treatment Plant (CETP) at the Savar Tannery Industrial Estate**, whose limited treatment capacity continues to raise concerns about the sector's international competitiveness.

The issue gained renewed attention in September when the **South Asian Network on Economic Modeling (SANEM)** and the **Footwear, Leathergoods & Accessories Exporters Association (FLAXA)** organised a policy dialogue on advancing Bangladesh's leather sector. Industry representatives argued that environmental compliance, infrastructure, policy reform and greater value addition must be addressed if Bangladesh is to substantially expand its global market share.

CETP capacity remains a major concern

The CETP at the Savar tannery estate was designed to treat approximately **25,000 cubic metres of liquid waste per day**. However, verification assessments and recent official statements cited by *The Daily Star* put its actual operating capacity at around **14,000–18,000 cubic metres per day**. During Eid-ul-Azha, when large volumes of hides enter the industry within a short period, wastewater generation can reportedly rise to **40,000–45,000 cubic metres per day**, creating an even greater pressure on the system.

The government has said it plans to establish a **new CETP through a transparent bidding process** and appoint a world-class operator, while also taking measures to improve the existing facility. Larger tanneries are expected eventually to install their own effluent treatment plants, while smaller units would continue using the central facility while meeting compliance requirements

Compliance is increasingly linked to market access

Environmental performance is no longer only a domestic regulatory issue. International buyers increasingly require suppliers to demonstrate compliance with recognised environmental and chemical-management standards.

Industry experts have highlighted certifications such as the **Leather Working Group (LWG)** and **ZDHC (Zero Discharge of Hazardous Chemicals)** as increasingly important for accessing premium international markets. Improving Bangladesh's compliance performance could therefore help exporters move toward higher-value markets and strengthen buyer confidence.

The challenge is particularly important because Bangladesh still exports a significant proportion of its leather in less processed forms. According to *The Daily Star*, around **65 percent of Bangladesh's leather is exported as crust leather**, limiting the amount of value added domestically. Industry leaders have therefore called for greater emphasis on finished leather and leather products rather than raw and semi-finished materials.



Environmental Compliance: The Critical Challenge Behind Bangladesh's US$5 Billion Leather Export Ambition

Beyond the CETP

Environmental compliance is only one part of the industry's wider competitiveness challenge. Leather manufacturers in Savar also face infrastructure problems, gas and power shortages, poor roads and high solid-waste disposal costs. At the September policy dialogue, industry representatives argued that fixing the CETP alone would not be sufficient without broader improvements to the tannery estate and regulatory environment.

The sector also faces a complicated export and licensing process. *The Daily Star* reported that exporters may need to deal with **23 certificates and licences and around 190 documents**, while industry representatives said regulatory complexity and approval delays can discourage investment and expansion.

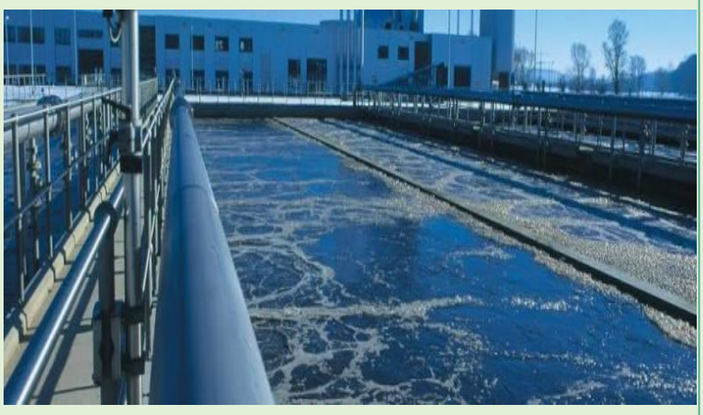
A larger export opportunity

Despite these challenges, Bangladesh already has a substantial leather and footwear manufacturing base. Industry leaders say the country currently exports around **US$1.76 billion** in footwear and leather goods to more than 105 countries. The government and industry are now looking to substantially increase this figure through higher-value production, market diversification and stronger compliance.



The potential extends beyond traditional leather footwear. FLAXA has highlighted **non-leather footwear, bags and automotive leather components** as areas with growth potential. The association estimates that increasing Bangladesh's share of the global non-leather footwear market could generate significant additional export earnings.

The urgency of the issue was again highlighted at the **10th Bangladesh Leather and Footwear Expo 2026** in September, where Bangladesh Tanners Association representatives said leather exports could potentially reach **US$5–7 billion by 2030** if key problems, including the CETP and international certification, are addressed. At the same event, the Commerce Secretary announced that the government is preparing an actionable roadmap to identify industry problems and increase exports.



The road ahead

For Bangladesh, environmental compliance is increasingly becoming a component of **export competitiveness rather than simply a regulatory obligation**. A reliable wastewater-treatment system, wider adoption of international certifications, cleaner production, improved infrastructure and greater domestic value addition could help the industry strengthen its position in global supply chains.

The US$5 billion ambition therefore depends not only on producing more footwear and leather goods, but on producing them **responsibly, efficiently and to the environmental standards expected by international buyers**.

As global sourcing increasingly places sustainability and traceability alongside price, quality and delivery, Bangladesh's ability to resolve its environmental compliance challenges could become a decisive factor in determining how much of the country's leather and footwear export potential can be realised.

Source:
The Daily Star; BSS (Bangladesh Sangbad Sangstha); Daily Sun

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EUDR and Leather: What Europe's Deforestation Rules Mean for Global Leather Supply Chain

The European Union's Deforestation Regulation (EUDR) was introduced with a clear objective: ensuring that products entering the European market do not contribute to deforestation or forest degradation. For the global leather industry, the regulation became a major supply-chain issue because cattle—the source of bovine leather—was included among the commodities covered by the regulation.

However, September 2026 brought an important change. The European Commission formally removed **cattle hides, skins and leather** from the EUDR product scope. The change covers raw hides and skins, tanned or crust hides and skins, and further-prepared cattle leather under the relevant HS/CN headings. The amendment entered into force on **18 September 2026**.



From compliance concern to regulatory change

The EUDR was originally expected to create significant compliance requirements across cattle-related supply chains. Under the regulation, covered products must be demonstrated to be deforestation-free and produced in accordance with the relevant legislation of the country of production. For businesses in covered supply chains, this means greater attention to origin information, risk assessment, due diligence and supply-chain documentation.

For the leather industry, the challenge was particularly complex because the leather value chain is closely connected to, but commercially distinct from, the meat industry. Hides are a relatively low-value co-product of cattle production, while leather typically passes through several stages of processing and multiple intermediaries before reaching manufacturers of footwear, bags and other leather goods.

In its assessment, the European Commission noted that the separate leather and meat value chains and differences in trade flows could make it difficult for leather operators to obtain the information required under the EUDR directly from cattle producers.

Why was leather removed?

The European Commission's July 2026 decision proposed removing cattle hides, skins and leather from Annex I of the EUDR. In September, the change became formally effective. The Commission explained that the exclusion would address the fragmented nature of the leather value chain and the practical difficulty for operators in obtaining the required information.

The decision does not mean that the EU has abandoned its broader fight against deforestation. The EUDR continues to cover major commodities associated with deforestation, including **cattle, cocoa, coffee, oil palm, rubber, soy and wood**, along with specified derived products.

In fact, the Commission has added certain other products to the regulation while removing cattle leather. Some of the newly added products, including soluble coffee and certain palm-oil derivatives, will become subject to the regulation from **30 December 2027**.



What does this mean for leather exporters?

For leather exporters and manufacturers, the September decision provides immediate regulatory relief. Bovine leather falling under the removed product categories is no longer subject to the EUDR's specific due-diligence requirements.

For companies that had been preparing extensive traceability systems specifically to meet EUDR requirements for bovine leather, the regulatory landscape has therefore changed significantly.

But the wider message for the industry remains important: **regulatory requirements can change, but the importance of responsible sourcing is unlikely to disappear.**

EUDR and Leather: What Europe's Deforestation Rules Mean for Global Leather Supply Chains

European brands and international buyers continue to place increasing emphasis on environmental performance, responsible sourcing, transparency and supply-chain management. The EUDR itself is only one part of a broader movement toward more sustainable and traceable global supply chains

Traceability still matters

The removal of leather from EUDR does not remove the industry's environmental challenges.

For Bangladesh and other leather-producing countries, international buyers increasingly expect manufacturers and tanneries to demonstrate responsible production practices. Environmental certification, chemical management, wastewater treatment and supply-chain transparency remain important factors when competing for premium international orders.

This is particularly relevant for Bangladesh, where the leather industry is seeking to expand its global market presence. In September, Bangladeshi industry leaders said the country could increase leather and footwear exports substantially, potentially reaching **US$5 billion by 2030**, but stressed the need for better infrastructure, compliance and higher-value production.



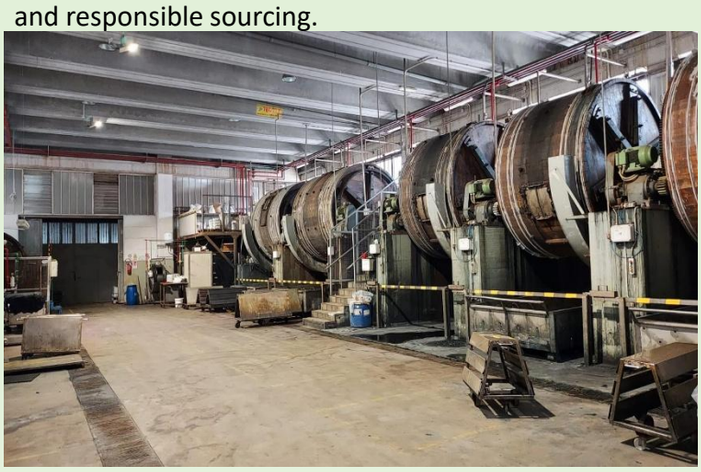
The EUDR debate therefore offers a broader lesson for Bangladesh's leather sector. **Regulatory compliance should not be viewed only as a requirement imposed by a particular market. It can also be an opportunity to strengthen supply-chain credibility and improve access to demanding international buyers.**

Looking beyond the regulation

The formal exclusion of leather from EUDR is likely to be welcomed by many in the global leather industry. The **Leather Working Group**, for example, confirmed that cattle hides, skins and leather have been removed from the scope and noted that the industry continues to work toward more sustainable practices throughout the leather value chain.

At the same time, the issue is not necessarily closed forever. The European Commission has indicated that the inclusion of cattle hides, skins and leather can be considered as part of the **general review of the regulation in 2030**.

For the global leather industry, this means that the current exclusion should not become a reason to slow investment in traceability, environmental management and responsible sourcing.



A new chapter for global leather supply chains

The September 2026 EUDR change marks an important turning point for the leather industry. What began as a major regulatory challenge has ended, for now, with leather being removed from the regulation's scope.

But the underlying discussion about **deforestation, responsible sourcing, environmental performance and supply-chain transparency** will continue.

For leather-producing countries such as Bangladesh, the priority should therefore be broader than simply complying with one regulation. Building environmentally responsible factories, improving traceability, achieving internationally recognised standards and producing higher-value leather goods can strengthen the industry's position regardless of how individual regulations evolve.

As global buyers increasingly evaluate suppliers not only on **price, quality and delivery**, but also on sustainability and transparency, responsible production will remain an important part of competing in the international leather and footwear market.

Source:
European Commission; Leather Working Group,Daily Star

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2025 Editions



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For more details, write to us at

connect@footwearexchange.com

Or

Call us at

+880 1616-331111