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Original Article

Export Competitiveness Analysis of Indonesian Shoe Commodities in the International Market

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Abstract

Indonesia is one of the countries that produces good quality shoe producers in the world, many of whose production is exported. The purpose of this study is to analyze the competitive position and performance of shoes production in Indonesia as an export product. Shoes product is selected as a reason to the demand from abroad for which is increasing from year to year. The data used in this study is panel data on shoe exports over a period of ten years, namely from 2012-2022 by analyzing top ten export destination countries, namely the United States, Belgium, China, Germany, Japan, the Netherlands, England, South Korea, Italy, Mexico. The Revealed Comparative Advantages (RCA) and Export Product Dynamics (EPD) methods are used respectively to analyze the comparative advantages and performance of shoe exports from Indonesia. The results of the study show that Indonesia has a comparative advantage based on the RCA method, then based on the EPD method, it is obtained that Indonesian sports shoes are classified as rising star in ten export destination countries, Australia, Belgium, China, Germany, Japan, South Korea, Mexico, Netherlands, England and United States. The research found that Belgium has the most competitive to be an export destination with RCA Value 93.7 despite the total export value in modest conditions. The lowest RCA value is Japan 2.08 despite high volume in total exports.

Keywords: Shoes HS64, Export Product Dynamics, Revealed Comparative Advantage, International Economics.

1. Introduction

Indonesia is a significant player in the global production of sports shoes, particularly as a manufacturing hub for many international brands. The country has developed a strong reputation for its footwear industry, driven by factors such as low labor costs, skilled workforce, and strategic geographic location. Many global sportswear brands, including Nike, Adidas, Puma, and Reebok, have manufacturing facilities in Indonesia. These brands outsource production to Indonesian factories, leveraging the country's cost-effective labor and established supply chains.

A significant portion of sport shoes produced in Indonesia is exported to markets in the United States, Europe, and Asia. Footwear exports are a major contributor to Indonesia's economy, accounting for a substantial share of its non-oil and gas exports. Shoe production is concentrated in industrial zones, particularly in West Java (e.g., Bandung, Tangerang, and Bekasi). These regions have well-developed infrastructure and access to ports, facilitating efficient export operations.

Indonesia's large and relatively low-cost labor force is a key advantage for the labor-intensive footwear industry. The workforce is skilled in tasks such as stitching, gluing, and

assembling sports shoes. However, in facing increasingly tight global competition, the competitiveness of Indonesian shoe exports must continue to be analyzed and improved in order to remain competitive in the international market.

Indonesia is among the top 5 exporters of footwear globally. The footwear industry contributes significantly to employment, with millions of workers employed in factories across the country. In 2022, Indonesia's footwear exports will reach $7-8 billion, with sports shoes becoming a major component. Indonesia's sport shoe production industry is a vital part of its manufacturing sector and plays a crucial role in the global supply chain.

Table 1. Indonesia Shoe Export Value in Million US$

Indonesia Shoe Product HS-64 Export Value in Million US$											
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia	64,6	64,1	81,6	93,1	97	90,7	96,9	73,1	97,4	133,7	183,9
Belgium	303	296,8	342,8	354	340,6	380,3	417,5	305,8	518,6	627,7	861,5
China	125,8	144,3	220,4	311,1	391,6	480,3	534,2	527,1	731,3	796,2	848,3
Germany	254,4	261,2	263,4	313,5	325,1	326,7	361,7	306,6	347,2	399,5	495,7
Japan	176,3	216,1	229,5	274,9	305	328,2	338	295,8	281,6	302	366,9
South Korea	78,2	122,5	132,5	148,5	179,6	181,7	156,6	102,3	141,5	171,6	247,4
Mexico	91	92,2	83,1	73,6	85,3	109,4	109,7	95,8	83,2	148,7	198,3
Netherlands	194,6	193,8	174	170,1	196,3	182,3	166,6	131,5	121,5	152,4	207
UK	227,5	220,5	246,8	274	228,6	228,8	253,4	157,1	193,8	231,6	257,3
USA	890	1032	1120	1267	1296	1332	1418	1440	1383	2114	2613

Source: Central Bureau of Statistics

Processed from customs documents of the Directorate General of Customs and Excise (PEB and PIB) the ten largest shoe export destination countries were obtained based on export value in US dollars, most of which have seen their exports increase in the last ten years. The research question of this study is to determine the competitiveness of HS64 shoe products from Indonesia to the ten export destination countries with the highest export value. One method that can be used to measure the competitiveness of a product in the international market is Revealed Comparative Advantage (RCA), which analyzes comparative advantage based on export data. The Revealed Comparative Advantage (RCA) method is used to measure Indonesia's comparative advantage in the footwear industry based on international trade data. In addition, the Export Product Dynamics approach can help understand patterns of competitiveness change, export growth, and product transitions in the global value chain.

There are several studies about export competitiveness. A study entitled Analysis of Indonesian Roasted Coffee Export Competitiveness to ASEAN Region Based on Revealed Comparative Advantage Method. This study evaluates the competitiveness of Indonesian roasted coffee exports to ASEAN countries using the RCA method. The results show that Timor Leste has an average Balassa index of 60.685, followed by Brunei Darussalam with 12.526, and Malaysia with 4.987, indicating good market potential for Indonesian roasted coffee exports (Prastian, 2024).

A study entitled Competitiveness Analysis of Indonesian Essential Oil as an Export Commodity in the International Market Using Revealed Comparative Advantage (RCA) Method. This study analyzes the competitive position of Indonesian essential oil exports in the international market using the RCA approach. The results of the analysis show that Indonesian essential oil commodities have a comparative advantage (RCA > 1) in all major export destination countries, with the highest competitiveness between Indonesia and France (Lestari et al., 2023).

How has Indonesia's shoe exports developed in recent years compared to its main competitor countries? Does the Indonesian shoe industry have a comparative advantage based on the Revealed Comparative Advantage (RCA) method? How is Indonesia's shoe

competitiveness position in the global market compared to other countries that are its main competitors? How are the dynamics of Indonesian shoe exports in the global value chain based on Export Product Dynamics analysis? This problem formulation will be the basis for research to evaluate the competitiveness of Indonesian shoe exports and provide strategic recommendations for the government and industry players in improving Indonesia's position in the global market.

Therefore, this study aims to analyze the competitiveness of Indonesian shoe exports using the Revealed Comparative Advantage (RCA) method and understand export dynamics through Export Product Dynamics. The results of this study are expected to provide a clearer picture of Indonesia's position in global trade and provide policy recommendations that can support increasing the competitiveness of the shoe industry in the future.

2. Literature Review

Literature review takes from the theory and method of revealed comparative advantage used for comparative analysis then export product dynamics conducted for competitiveness analysis. both of which come from Ricardian comparative advantage theory, as well as several previous research related to competitiveness analysis.

2.1. Comparative Advantage

The theory of comparative advantage provides explanation for why countries engage in international trade and how they benefit from it, even when one country is more efficient in producing all goods than its trading partner. Ricardo (1817) theory of comparative advantage emerged as a refinement of Adam Smith's absolute advantage theory. While Smith argued that countries should specialize in goods, they can produce more efficiently than others, Ricardo demonstrated that trade is beneficial even when one country is less efficient in producing all goods. The key insight is that countries should specialize in goods where they have a lower opportunity cost, defined as the cost of forgoing the production of one good to produce another.

Ricardo's model is based on several simplifying assumptions:

a) Two countries, two goods: The model considers a world where only two countries engage in trade, each producing two goods.
b) Labor as the sole factor of production: Production costs depend entirely on labor inputs, with no consideration for capital or land.
c) Constant opportunity costs: The trade-off between producing different goods remains unchanged.
d) Absence of trade barriers: The model assumes a frictionless trade environment, with no tariffs, quotas, or transportation costs.

2.2. Revealed Comparative Advantage

Revealed Comparative Advantage (RCA) is an economic metric used to assess the relative efficiency or competitive strength of a country in producing and exporting a specific good or service compared to other countries (Balassa, 1965). RCA quantifies whether a country specializes in exporting a particular product relative to the global average. It helps determine if a country has a comparative advantage in producing a specific good or service, meaning it can produce that good more efficiently (at a lower opportunity cost) than other countries.

Revealed Comparative Advantage is a valuable tool for understanding a country's trade strengths and weaknesses. By identifying sectors where a country has a competitive edge, policymakers and businesses can make informed decisions to enhance export performance,

promote economic diversification, and integrate more effectively into global value chains. However, RCA should be used alongside other economic indicators and qualitative analysis for a comprehensive understanding of trade dynamics.

2.3. Export Product Dynamics

Export Product Dynamics refers to the evolution and transformation of a country's export basket over time. It involves changes in the types of products a country exports, the complexity of those products, and the diversification of its export portfolio. Understanding export product dynamics is crucial for assessing a country's economic development, competitiveness, and ability to adapt to global market trends. Key concepts in export product dynamics product diversification, product Sophistication, higher sophistication, export upgrading. revealed comparative advantage (RCA) and global value chains (GVCs).

Export Product Dynamic (EPD) is an analysis method used to analyze and determine the highest competitive power and rapid growth of products or goods in the export trade flow in a country. The market position can be known because this method uses the total export share (X) and the export share of commodities (Y). By using the EPD analysis method, it can be seen whether a country's commodities to the destination country are continuous (dynamic) or not.

The position of lost opportunity market share is a market condition or competitiveness that is least expected by a country because in this position there is a decrease in market share for domestic products, while the export market share in the destination country has increased. This condition causes a country to lose the opportunity for export share or reach (Esterhuizen et al., 2012).

2.4. Previous Research

Hidayah et al. (2022) discusses the Revealed Comparative Advantages (RCA) and Export Product Dynamics (EPD) methods are used respectively to analyze comparative advantages and performance of Indonesia's clove exports. The results showed that Indonesia had a comparative advantage based on the RCA method, then based on the EPD method. Meanwhile, Manalu et al. (2022) analyze the comparative competitiveness of the world's main coffee exporters and to analyze the factors that influence the market share of the major coffee exporting countries in the major coffee importing countries. The results showed that the four major coffee exporters in the world had competitiveness. The factors that affect the market share of the main coffee exporting countries in the main coffee importing countries are price and non-price.

3. Methods

The analysis method used is the descriptive quantitative method. The quantitative analysis method is a data analysis method that aims to obtain a clear and detailed picture of the problems that occur. The general description of shoe industrialization uses a descriptive method. As for analyzing competitiveness, the Revealed Comparative Advantages (RCA) and Export product dynamics (EPD) analysis are carried out.

3.1. Data Collection

The data used in this study are secondary data obtained from various sources such as the Central Bureau of Statistics, International Trade Center (Trade Map), World Bank, United Nations Commodity and Trade (UN Comtrade), and World Integrated Trade and Solution (WITS). The data used is panel data that combines time series and cross sections for the last ten years from 2012 to 2022 and is a national aggregation. The type of shoe analyzed is sports

shoes with HS code 64. The basis for selecting the type of shoe is according to the largest export value and the completeness of the available data. The study analyzes Indonesian shoe exports to ten main export destination countries, namely the United States, China, Belgium, the Netherlands, Japan, South Korea, Germany, England, Mexico and Australia.

3.2. Revealed Comparative Advantage

Revealed Comparative Advantage (RCA) is one of the methods used to measure competitiveness or comparative advantage in a region, be it a country, province, etc. The variable used is the export performance of a commodity against total exports in the region which is then compared with the share of product value in international trade. The formula for RCA is as follows (Şahinli, 2013):

$$RCA = (Xij/Xit)/(Xj\ /Xt)$$

Description:

Xij = Value of Indonesian clove commodity exports to country j (US$)
Xit = Total value of Indonesian exports to country j (US$)
Xj = Value of world clove commodity exports to country j (US$)
Xt = Total value of world exports to country j (US$)

If the RCA value <1 or close to 0, then the competitiveness of the commodity is weak, on the other hand, if the RCA value> 1 then the competitiveness is relatively strong, where the higher the RCA, the greater the level of competitiveness.

3.3. Export Product Dynamics

In addition to RCA, this study uses Export Product Dynamics (EPD) analysis, which is one of the competitiveness indicators to show the export performance of clove products by measuring the market position of a country for a particular market destination. This method can measure the dynamics of a product in the market. The EPD method consists of a matrix that places the analyzed products into four categories (Figure 1).

Figure 1. EPD Matrix Source

The EPD matrix consists of market attractiveness and business strength information. Market attractiveness is calculated from the growth of demand for a product for a specific market purpose, where business strength information is measured based on the growth of market share of a country in a specific market purpose. The combination of market attractiveness and business strength produces the character position of the product analyzed into four categories, namely rising star, falling star, lost opportunity, and retreat. The ideal market position is in the rising stars position, while the undesirable positions are the lost

opportunity, falling stars and retreat positions. With the competitiveness matrix using the EPD, the competitive position of each commodity can be seen (Esterhuizen, 2006).
X-axis:
Growth in business strength or called export market share i

$$\sum (XijWijtt{=}1)\ tx100\% - \sum (XijWijtt{=}1)\ t - 1x100\% \ / \ T$$

Y-axis:
Growth in market attractiveness or called product market share

$$\sum (XtWtt{=}1)\ tx100\% - \sum (XtWttt{=}1)\ t - 1x100\% \ / \ T$$

Description:
Xij : Value of clove exports from Indonesia to destination countries
Xt : Total export value of Indonesia to destination countries
Wij : Value of clove exports from the world to destination countries
Wt : Total export value of the world to destination countries
T : Number of years of analysis

Figure 2. Research Framework

Hypothesis: RCA analysis has an impact on EPD, EPD analysis has an impact on comparative advantage.
Null Hypothesis: RCA analysis has no impact on EPD, EPD has no impact on comparative advantage.

4. Results and Discussion

4.1. Research Results

The RCA method is carried out to analyze the comparative competitiveness of Indonesian shoes in the destination countries for Indonesian shoe exports. The destination countries for this commodity are limited based on the volume and value of their exports in 2012-2022, namely Australia, Belgium, China, Germany, Japan, South Korea, Mexico, Netherlands, England and the United States. The results of the RCA value analysis can be seen in table 2.

4.1.1. Revealed Comparative Advantage Analysis

The results of the average analysis of RCA show that the shoe commodity has a comparative advantage in every market except in the Japanese market in 2012. The highest RCA value on average was obtained in the Belgian market with a value of 93.7, followed by the Mexican market with a value of 43.75 and the United States market with a value of 15.81. The lowest RCA value was obtained in the Japanese market with an RCA value of 2.08, followed by South Korea with an RCA value of 3.06 and Australia with an RC value of 4.07.

Table 2. RCA Result from 2012-2022 HS 64 Product

RCA Result from 2012-2022 HS 64 Product												
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average
Australia	2,16	2,20	2,33	3,02	3,50	4,78	4,57	3,82	5,50	5,72	7,17	4,07
Belgium	60,12	58,99	66,32	74,52	75,44	79,97	91,63	86,70	135,81	151,03	150,19	93,70
China	5,92	6,37	10,70	12,64	12,10	10,51	9,02	6,96	7,97	6,14	5,61	8,54
Germany	10,55	10,77	10,12	11,59	11,61	11,48	12,95	11,86	13,34	14,54	15,76	12,23
Japan	0,88	1,12	1,40	1,76	2,12	2,34	2,37	2,49	2,95	2,87	2,54	2,08
South Korea	1,48	2,72	2,83	3,58	4,11	3,80	2,75	2,18	3,31	3,44	3,44	3,06
Mexico	59,63	56,00	38,70	34,41	39,93	42,20	48,60	36,08	38,97	47,40	39,35	43,75
Netherlands	6,20	6,39	5,62	5,26	6,10	4,65	4,75	4,40	4,29	3,87	4,53	5,10
UK	15,20	13,79	14,32	15,45	13,71	15,36	16,85	11,62	16,48	20,86	20,28	15,81
USA	5,61	5,92	6,03	6,27	6,79	6,76	7,28	7,34	8,29	8,39	8,22	6,99

The results of the RCA method show that although the Japanese market has a higher export value in USD than the Mexican market, the RCA shows that the Mexican market has a comparative advantage that is much higher than the Japanese market. In addition, the total import value of destination countries for shoe products from countries other than Indonesia. In general, the Revealed Comparative Advantage (RCA) Index actually reveals a country's trade pattern, but with it a country can be claimed to have a comparative advantage/disadvantage. The assumption underlying this is that if according to David Ricardo, differences in relative productivity determine trade patterns, then trade patterns can be used to reveal differences in relative productivity (Sejkora & Sankot, 2017).

Some countries might show increasing RCA values, indicating growing specialization, while others might show declining RCA values, suggesting a loss of competitiveness. The top 10 listed countries with the highest Revealed Comparative Advantage (RCA) in HS 64 exports for 2022 are: Belgium with RCA value 150.19, Mexico with RCA value 39.35, United Kingdom with RCA value 20.28 Germany with RCA value 15.76, USA with RCA value 8.22, Australia with RCA value 7.17, China with RCA value 5.61, Netherlands with RCA value 4.53, South Korea with RCA value 3.44 and the lowest is Japan with RCA value 2.54.

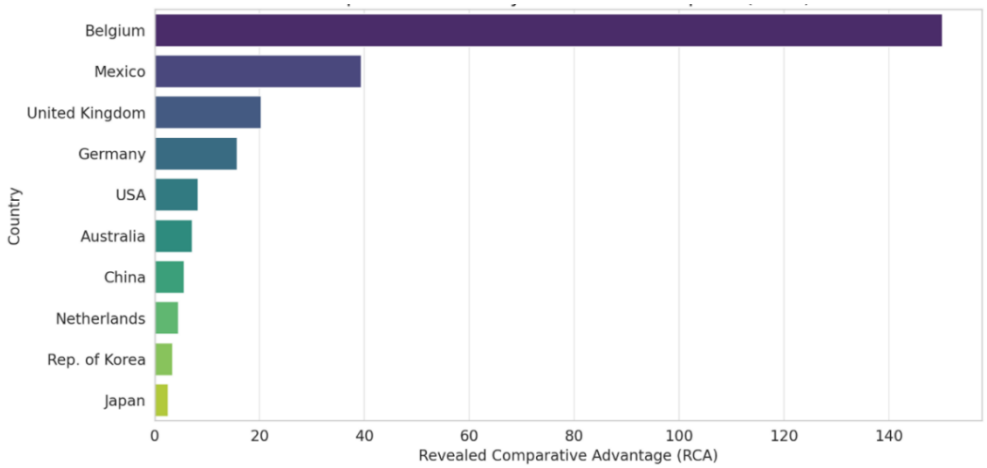

Figure 3. Graphic RCA Result

A country with an RCA > 1 is considered to have a comparative advantage in exporting HS 64 products. Belgium has an exceptionally high RCA (150.19), suggesting a very strong specialization in HS 64 exports relative to the world average. Mexico and the UK also show strong comparative advantages in this sector. China and the USA, despite their large economies, have moderate RCA values, indicating their HS 64 exports are significant but not their primary strength compared to other industries.

4.1.2. Export Products Dynamics

After the RCA analysis was conducted, another analysis was conducted on the competitiveness of Indonesian shoe commodities using the EPD method. The results of the EPD analysis showed that the market position of shoes commodities in each market has the same competitiveness, namely in the rising star position. EPD shows Indonesia's competitive position in shoe commodities. The Rising Star position indicates that exporting countries gain additional market share and growth in demand for shoe exports from importing countries. Indonesian shoe commodity exports are in the rising star position for the 10 countries with the largest export value in USD.

Table 3. Export Product Dynamics Index 2012-2022 HS 64 Product

Country	X Axis	Y Axis	Market Position
Australia	0,055751857	0,106959536	Rising Star
Belgium	0,381750817	0,095300529	Rising Star
China	0,109393243	0,106006043	Rising Star
Germany	0,027519361	0,093371227	Rising Star
Japan	0,053836712	0,119938072	Rising Star
Rep. of Korea	0,05418972	0,110508887	Rising Star
Mexico	0,094547979	0,093320197	Rising Star
Netherlands	0,039971731	0,099257997	Rising Star
United Kingdom	0,035448758	0,093346392	Rising Star
USA	0,051816045	0,09895085	Rising Star

It evaluates how a country's export growth (X) compares to the global export growth of the same product (Y). The dataset includes 10 countries: Australia, Belgium, China, Germany, Japan, Republic of Korea, Mexico, Netherlands, United Kingdom, and the USA. Belgium stands out with the highest X-axis value (0.3818), which is significantly higher than the other countries. This could indicate a unique position in the market. Japan has the highest Y-axis value (0.1199). The other countries have relatively similar X-axis and Y-axis values, suggesting they share comparable export dynamics.

The average export growth rate of countries (X) is 0.0904, with a standard deviation of 0.1055. The average global export growth rate (Y) is 0.1017, with a smaller standard deviation of 0.0089, indicating relatively stable global export trends. The highest export growth rate (X) is 0.3818, while the lowest is 0.0275, showing a wide variation in how different countries perform. Countries in this dataset are performing well in export markets, aligning with global demand. Some countries show exceptionally high export growth rates, suggesting they are emerging as key players in specific industries. The relatively low variation in global export growth (Y) compared to country-specific export growth (X) suggests that global market trends remain steady, while individual country performances fluctuate more.

4.2. Discussion

The results of the RCA index show that Indonesia has a comparative advantage. Since all countries in the index are classified as "Rising Stars", meaning their exports are growing alongside or faster than global trends, here are some strategic actions you can take: Belgium stands out with an exceptionally high RCA, indicating a strong specialization in this export category. Belgium dominates HS 64 exports with an RCA of 150.19, Belgium has an exceptionally strong comparative advantage in this sector, meaning its share of HS 64 exports is significantly higher than the global average.

Mexico and the United Kingdom also have strong RCA values. Mexico (39.35) and the UK (20.28) also specialize in HS 64 exports, suggesting these countries have well-developed industries or favorable trade policies for this sector. Germany and the USA have moderate

comparative advantages – While both countries have high absolute exports, their RCA values (15.76 for Germany and 8.22 for the USA) indicate they are relatively diversified in their trade portfolios, with other industries playing a significant role. China has a lower-than-expected RCA Despite being a major global exporter, China's RCA for HS 64 exports is only 5.61, meaning it does not specialize as heavily in this category compared to other industries. Australia, Netherlands, South Korea, and Japan have lower RCA values, these countries still have a comparative advantage (RCA > 1), but their reliance on HS 64 exports is not as significant compared to their total exports.

Countries with high RCA values (Belgium, Mexico, UK) have a strong specialization in HS 64 exports, potentially due to local industry strengths, labor costs, or trade policies. Countries like China and the USA have diverse export structures, meaning HS 64 is not their primary focus despite large absolute export values. Policymakers and businesses in lower RCA countries may consider expanding or diversifying their exports in this sector to compete more effectively.

In the research entitled Competitiveness Analysis Of Indonesian Essential Oil As An Export Commodity In The International Market Using Revealed Comparative Advantage (RCA) Method (Lestari et al., 2023), it was found to have the same research results. That the large total volume of a country's exports to the destination country does not guarantee a high RCA value in one commodity. In this research, there are limitations to the dynamics of essential oil commodity exports. This happens because of the trend of export value that decreases from year to year and the market is less dynamic. Indonesian essential oil commodities can be declared quite strongly competitive but development is still needed so that Indonesian essential oil commodity products are increasingly in demand in export destination countries so that export market share increases consistently from year to year and Indonesian essential oil commodities are increasingly competitive.

In this research on the competitiveness of shoe commodities, the dynamics of exports from year to year are more volatile than essential oil commodities in previous research. This can further prove that the RCA method can analyze volatile data over a long period of time, and still produce competitive value for the commodity researched.

The results of the Revealed Comparative Advantage (RCA) analysis show that Indonesia has a comparative advantage in shoe exports, with an RCA index > 1, indicating a fairly strong competitiveness in the international market. This can be used as a reference for policy makers to make Indonesia a productive shoe producer. By subsidizing or regulating better financial policies and adaptive fiscal policies for shoe producers. Policymakers can strengthen the supply chain and raw material independence. Develop upstream industries (leather, rubber, synthetic textile raw materials) to reduce dependence on imports. Increase investment in domestic raw material processing plants with tax incentives for companies investing in this sector. Encourage cooperation between shoe manufacturers and local raw material industries to create a more integrated industrial ecosystem.

5. Conclusion

Based on the analysis of the competitiveness of Indonesian shoe exports using Revealed Comparative Advantage (RCA) and Export Product Dynamics, several recommendations that can be given to increase the competitiveness of the Indonesian shoe industry in the global market are: High total export volume from one country to another does not represent the competitive value of a commodity. From this study it was found that high RCA is not always obtained from high export volume value, and vice versa. However, this study proves that there

is an impact of the percentage of export volume and RCA analysis on the competitiveness of a product.

Which can be obtained from this research a suggestion to focus on scaling & market expansions since exports are already growing, consider expanding into new markets where demand is increasing. Identify countries with similar product demand patterns and build trade relationships there. Strengthen competitive advantage to leverage the strong momentum by investing in branding, innovation, and differentiation. If possible, improve production efficiency and optimize costs to stay competitive in the long run.

Monitor global trends & risks although the global export growth (Y) is stable, external factors such as policy changes, supply chain disruptions, or competition could impact future growth. Stay updated on trade agreements, tariffs, and international regulations in key export destinations. Invest in sustainable and value-added products Diversifying export markets by expanding into markets other than the main markets such as the US and China, shoe manufacturers need to explore developing markets such as Europe, Latin America and East Asia.

For further research on the competitiveness of Indonesian shoe exports, several aspects that can be explored further are comparative analysis with other methods. Combining the RCA method with other methods such as the Trade Competitiveness Index (TCI) or Product Space Analysis to obtain a more comprehensive picture of the competitiveness of Indonesian shoes. Study on non-economic factors affecting exports analyzing the impact of sustainability, global environmental regulations, and consumer preferences on Indonesian shoe exports. Examining the role of the creative industry in increasing shoe competitiveness through design and branding.

Analysis of export structure change dynamics Using the Export Product Dynamics approach to observe changes in the competitiveness of Indonesian shoes in the long term. Identifying factors that drive changes in Indonesia's position in the global footwear industry value chain. This further research is expected to provide deeper insights into the competitiveness of the Indonesian footwear industry and strategies that can be implemented to increase comparative advantage in the global market.

Indonesia has a comparative advantage in shoe exports, but faces challenges in expanding to other destination countries. The government needs to take strategic steps to strengthen competitiveness by reducing dependence on imported raw materials, increasing logistics efficiency, and encouraging innovation and market diversification. Sustainability-based policies and digitalization must be integrated to ensure that Indonesian shoe exports remain competitive in the era of changing global trade. Thus, this research was conducted, hopefully it will be useful for stakeholders related to shoe production.

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