



BRAZILIAN EXPORTS OF HIDES AND SKINS

JUNE 2019



SUMMARY

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ANY PART OF THIS REPORT MAY BE REPRODUCED, SINCE ITS SOURCE IS MENTIONED AS: SECEX - PREPARED BY CICB

1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

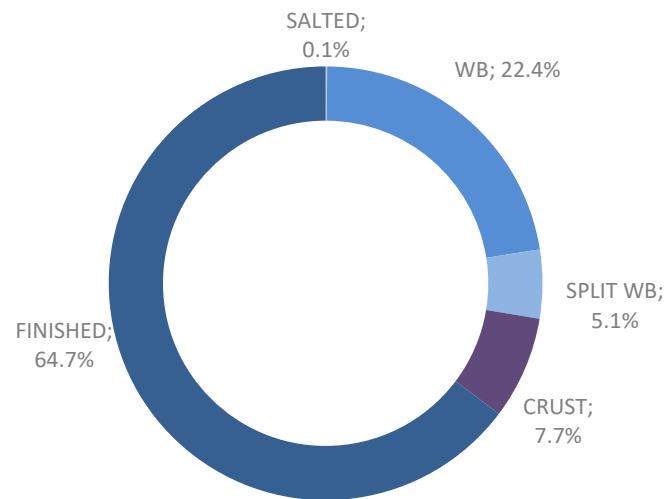
JUNE 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of June 2019, registered the amount of US\$ 87.4 million, down 34.8% year-on-year, when total exports were US\$ 134.1 million, and also decrease of 18.4% compared to May, when amount was US\$ 107.1million.

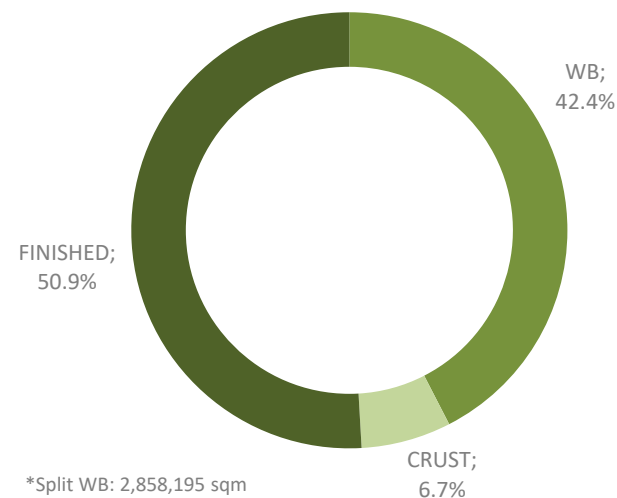
Considering exports in square meters, in June were shipped 13.1 million, 23.3% lower than same month of 2018, when total was 17.0 million. Considering the first semester of 2019, exported area was 1.2% lower than 2018.

Profile of June 2019 exports is the following:

FOB VALUE US\$



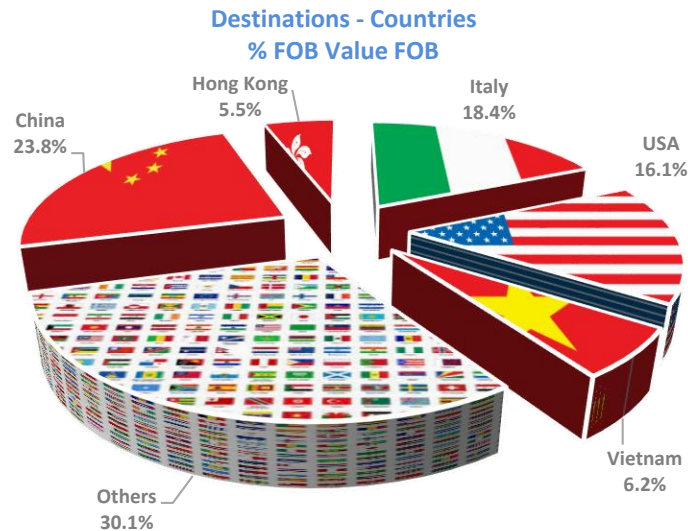
AREA sqm



Considering types of leather, these are the variations of the Brazilian exports of bovine hides, in the period 2018 to 2019, for H1:

- Salted hides down 6.4% in value and up 4.9% in weight;
- Wet Blue declined 27.9% in value, but were up 12.0% in area;
- Split WB declined 5.9% in value and 11.9% in area;
- Crust was lower 25.8% in value and 19.5% in area;
- Finished leather also lower 18.6% in value and 3.7% in area.

Below are destinations of H1 2019:

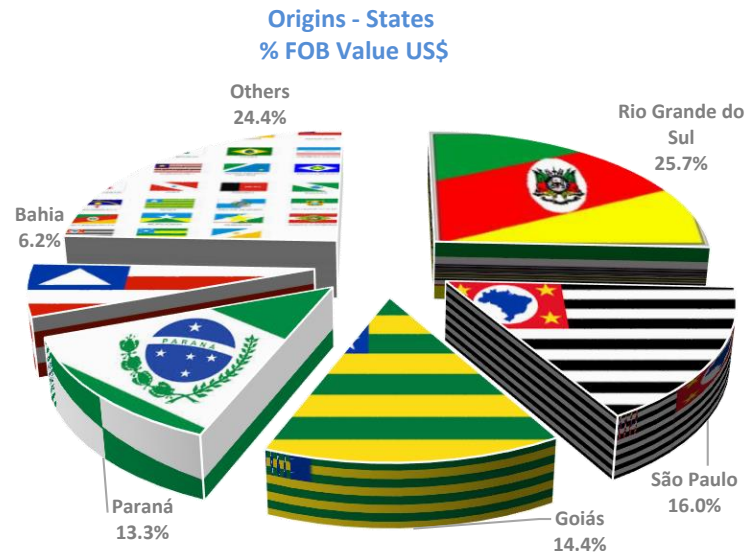


Below are some highlights of the results of some markets with relevant share in the exports of the sector, considering the H1:

- China, with share of 23.8%, grew 0.2% in trade area (before +7.8%), however decreased 30.0% (-26.6%) in value;
- Italy with share of 18.4%, grew by 2.3% (+4.1%) in trade area, but down 13.4% (-10.9%) considering value;
- USA with share of 16.1%, down 13.0% (-10.3%) in area and also down 23.9% (-21.7%) in value;

If we consider the other countries with relevant share and also some of the target markets for the Brazilian Leather project, we highlight the growth of Hong Kong, with +52.0% in area but still down 11.6% in value, Germany with +67.8% in value and +109.8% in area, India with +30.6% in value and +86.5% in area, South Korea with +12.8% in value and +43.6% in area, and finally Spain, with +6.0% in value and -0.1% in area. All these markets therefore show a better performance compared to the first half of 2019. France continues highlighted, increasing the gap to 2018, now with +423.2% in value and +332.5% in area.

Below share of the states on shipments from January to June 2019:



Some highlights considering exporting states:

- Except Paraná state, all other TOP10 states show a decrease in value, with a negative highlight for Pará and Bahia, with -45.4% and -33.4%, respectively;
- Paraná state, that in April had accumulated drop in value, now shows 3.7% increase in value and 27.2% in area.
- Rio Grande do Sul leads with share of 25.7% (26.1%), with São Paulo improving share to 16.0% (15.8%);
- Goiás state lost a small percentage, now 14.4% (14.6%), and Paraná recovered 0.5pp, now with 13.3%;
- Among states with lowest share, Piauí and Amazonas still show a triple-digit growth in value, with 403% and 827% respectively, and 410% and 1.373% in area;

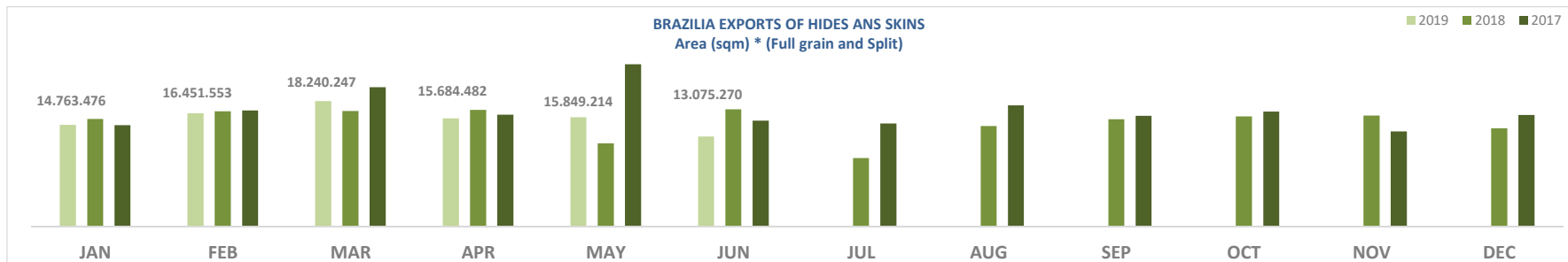
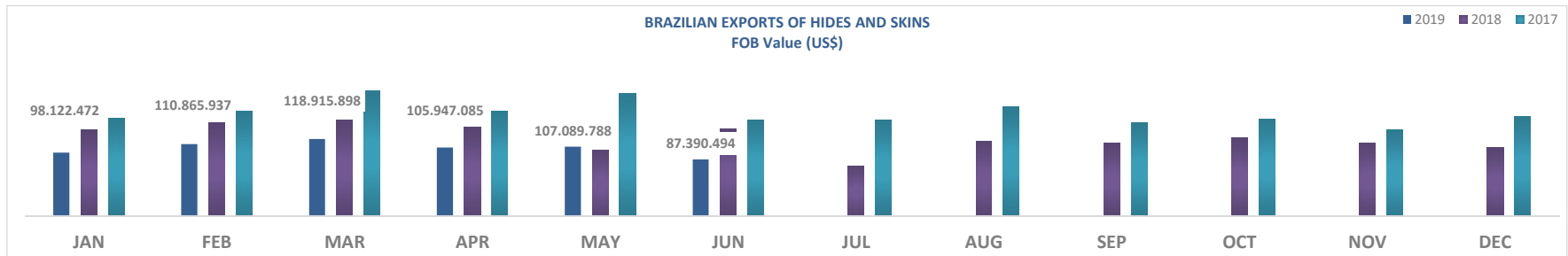
Despite the less favorable results compared to the values exported in the period, the H1 of 2019 ends with a practically stable variation in area compared to 2018, with -1.2%. The difficulties in demand continue to strongly reflect the orders, with a more evident devaluation for leathers with lower quality hides, which directly affects the national shipments. The growth in volume occurred in the Salted hides (weight) and Wet Blue (area), with June showing a recover for finished leather market since January, closing down slightly compared to 2018. Decreases continue in Split WB and Crust, in these cases both in trade value and area. -

2 - BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA* (sqm)			Δ (%)		
	2019	2018	2017	MONTH 2019	2019/2018	2019/2017	2019	2018	2017	MONTH 2019	2019/2018	2019/2017
JAN	98.122.472	132.850.230	150.594.334	-7,0%	-26,1%	-34,8%	14.763.476	15.639.191	14.722.866	3,6%	-5,6%	0,3%
FEB	110.865.937	144.041.578	161.129.539	13,0%	-23,0%	-31,2%	16.451.553	16.743.477	16.873.377	11,4%	-1,7%	-2,5%
MAR	118.915.898	147.515.178	192.569.385	7,3%	-19,4%	-38,2%	18.240.247	16.782.906	20.239.371	10,9%	8,7%	-9,9%
APR	105.947.085	136.997.970	161.555.800	-10,9%	-22,7%	-34,4%	15.684.482	16.935.718	16.246.555	-14,0%	-7,4%	-3,5%
MAY	107.089.788	101.387.567	189.315.724	1,1%	5,6%	-43,4%	15.849.214	12.060.974	23.563.932	1,1%	31,4%	-32,7%
JUN	87.390.494	134.092.407	148.251.832	-18,4%	-34,8%	-41,1%	13.075.270	17.040.148	15.371.874	-17,5%	-23,3%	-14,9%
JUL		77.719.735	148.621.433					9.932.086	14.941.320			
AUG		115.879.312	168.323.058					14.602.510	17.618.510			
SEP		112.331.092	144.028.851					15.567.199	16.067.573			
OCT		120.783.613	149.290.587					15.996.995	16.695.816			
NOV		113.432.678	132.740.099					16.111.486	13.813.058			
DEC		105.533.435	153.081.851					14.245.187	16.183.081			
Total	628.331.674	1.442.564.795	1.899.502.493		-21,2%	-37,4%	94.064.242	181.657.877	202.337.333		-1,2%	-12,1%

Source: SECEX - Prepared by: CICB

*Area including Full grain and Split



3 - DESTINATION OF BRAZILIAN EXPORTS OF HIDES AND SKINS

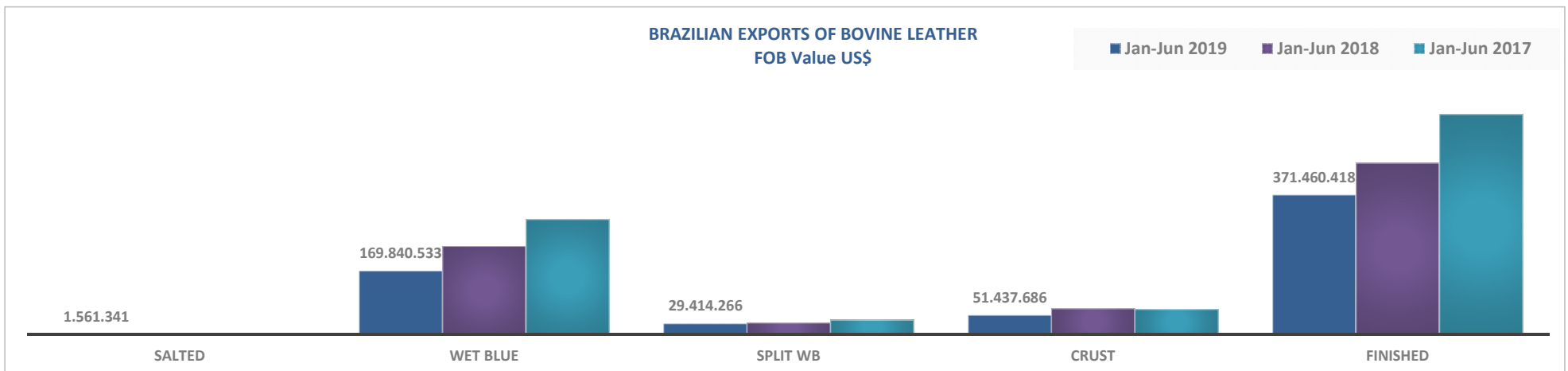
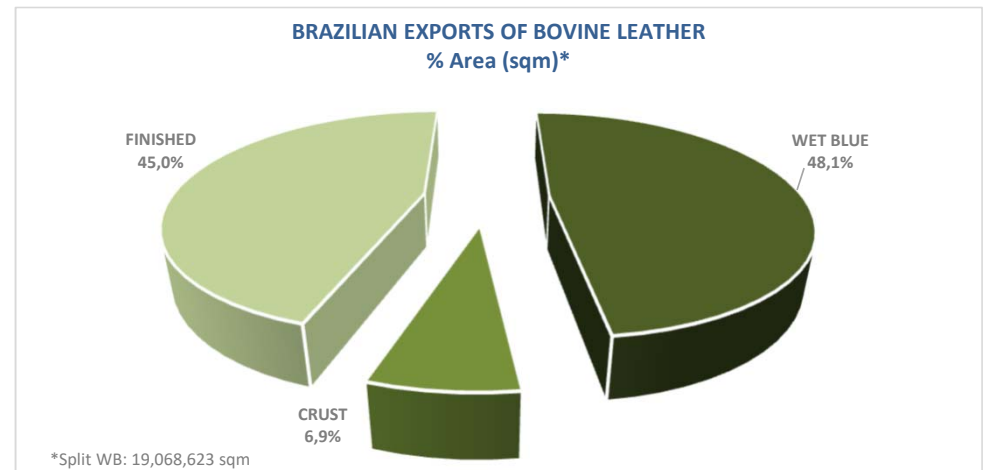
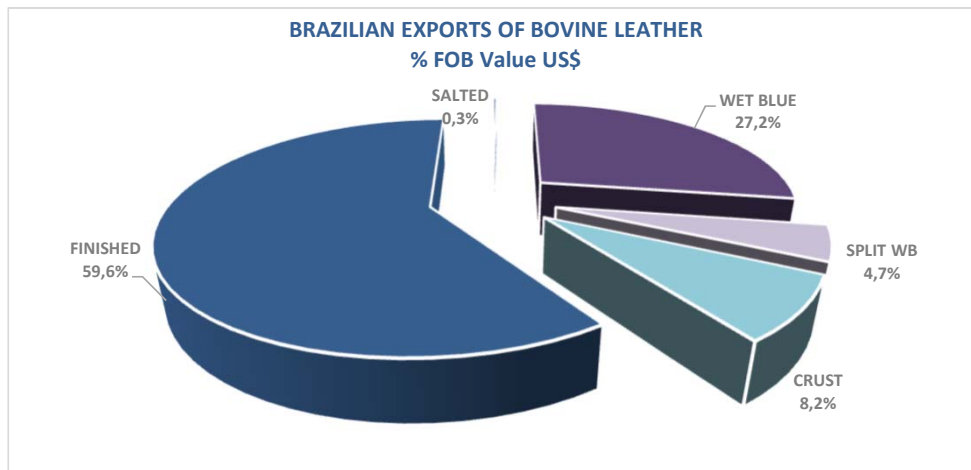
COUNTRIES	FOB VALUE (US\$)			Δ		AREA* (sqm)			Δ	
	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017	Share 19	2019/2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017	Share 19	2019/2018
1 China + Hong Kong	183.785.644	252.237.190	308.859.330	29,2%	-27,1%	34.430.426	32.978.509	35.384.567	5,5%	4,4%
China	149.433.315	213.360.216	263.231.442	23,8%	-30,0%	30.336.858	30.286.095	28.807.255	4,8%	0,2%
2 Italy	115.308.242	133.135.084	176.050.591	18,4%	-13,4%	20.039.665	19.597.062	20.205.997	3,2%	2,3%
3 United States	101.017.207	132.818.922	154.419.697	16,1%	-23,9%	8.341.502	9.586.774	9.696.650	1,3%	-13,0%
4 Vietnam	38.964.918	42.666.957	78.630.859	6,2%	-8,7%	7.174.194	8.234.003	17.969.284	1,1%	-12,9%
Hong Kong	34.352.329	38.876.974	45.627.888	5,5%	-11,6%	4.093.568	2.692.414	6.577.312	0,7%	52,0%
5 Germany	34.048.200	20.295.812	27.974.119	5,4%	67,8%	2.915.147	1.389.557	1.948.795	0,5%	109,8%
6 Thailand	19.521.091	27.975.830	33.395.490	3,1%	-30,2%	1.976.150	2.432.296	2.457.188	0,3%	-18,8%
7 Mexico	18.783.073	22.113.142	19.722.206	3,0%	-15,1%	1.536.412	1.586.830	1.142.333	0,2%	-3,2%
8 Taiwan (Formosa)	13.101.596	15.995.859	13.555.874	2,1%	-18,1%	4.794.957	5.518.408	3.099.864	0,8%	-13,1%
9 India	11.177.886	8.557.367	7.653.348	1,8%	30,6%	3.180.862	1.705.825	1.086.742	0,5%	86,5%
10 Hungary	10.721.963	38.729.869	59.290.929	1,7%	-72,3%	835.056	2.778.472	3.669.627	0,1%	-69,9%
11 Indonesia	8.262.912	16.215.965	18.299.551	1,3%	-49,0%	791.401	1.229.566	1.433.786	0,1%	-35,6%
12 South Korea	8.018.279	7.107.906	25.477.278	1,3%	12,8%	1.192.432	830.668	2.148.162	0,2%	43,6%
13 Netherlands	6.537.863	7.539.150	8.445.532	1,0%	-13,3%	730.345	666.792	630.075	0,1%	9,5%
14 Uruguay	6.390.056	9.051.628	7.553.869	1,0%	-29,4%	626.336	672.980	492.175	0,1%	-6,9%
15 Portugal	4.959.279	5.401.791	5.056.168	0,8%	-8,2%	648.008	603.624	527.321	0,1%	7,4%
16 Malaysia	4.688.960	6.633.894	3.757.053	0,7%	-29,3%	382.357	440.057	232.207	0,1%	-13,1%
17 Norway	4.001.430	6.977.339	9.353.189	0,6%	-42,7%	258.374	412.188	490.233	0,04%	-37,3%
18 Tunisia	3.651.995	3.252.541	2.813.501	0,6%	12,3%	221.365	165.726	164.347	0,04%	33,6%
19 France	3.456.275	660.651	794.210	0,6%	423,2%	147.646	34.136	48.259	0,02%	332,5%
20 Canada	2.843.331	3.059.961	3.452.557	0,5%	-7,1%	162.505	176.603	180.734	0,03%	-8,0%
21 Spain	2.841.565	2.680.412	2.509.499	0,5%	6,0%	776.897	777.972	947.680	0,1%	-0,1%
22 United Kingdom	2.205.683	1.911.591	2.253.216	0,4%	15,4%	253.379	175.087	263.125	0,04%	44,7%
23 South Africa	2.034.324	4.093.884	9.226.448	0,3%	-50,3%	268.879	391.668	784.159	0,04%	-31,4%
24 Argentina	1.778.643	1.818.524	2.143.108	0,3%	-2,2%	136.954	151.481	154.150	0,02%	-9,6%
25 Dominican Republic	1.708.338	2.829.784	4.254.840	0,3%	-39,6%	248.695	249.958	280.056	0,04%	-0,5%
26 Cambodia	1.564.784	922.846	415.748	0,2%	69,6%	171.362	396.374	112.252	0,03%	-56,8%
27 Paraguay	1.359.552	1.233.147	2.427.015	0,2%	10,3%	241.028	166.505	298.701	0,04%	44,8%
28 Australia	1.318.155	2.819.363	2.638.718	0,2%	-53,2%	97.427	167.520	147.815	0,02%	-41,8%
29 Denmark	1.252.217	1.644.682	758.237	0,2%	-23,9%	87.947	101.351	42.599	0,01%	-13,2%
30 Chile	1.106.971	1.501.779	1.484.024	0,2%	-26,3%	128.992	136.267	133.685	0,02%	-5,3%
Other (2019: +47 countries)	11.921.242	15.002.060	10.750.410	1,9%	-20,5%	1.267.542	1.448.155	845.407	0,2%	-12,5%
Total	628.331.674	796.884.930	1.003.416.614		-21,2%	94.064.242	95.202.414	107.017.975		-1,2%

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017	2019/2018	2019/2017	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017	2019/2018	2019/2017
SALTED	1.561.341	1.667.687	2.230.889	-6,4%	-30,0%	-	-	-	-	-
WET BLUE	169.840.533	235.543.173	306.137.730	-27,9%	-44,5%	35.941.256	32.096.882	33.264.727	12,0%	8,0%
SPLIT WB	29.414.266	31.273.397	38.970.937	-5,9%	-24,5%	-	-	-	-	-
CRUST	51.437.686	69.343.035	66.844.636	-25,8%	-23,0%	5.137.756	6.380.543	4.902.632	-19,5%	4,8%
FINISHED	371.460.418	456.271.567	585.352.874	-18,6%	-36,5%	33.671.676	34.962.389	43.527.754	-3,7%	-22,6%
Total	623.714.244	794.098.859	999.537.066	-21,5%	-37,6%	74.750.688	73.439.814	81.695.113	1,8%	-8,5%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS
OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share 2019	Δ		AREA* (sqm)			Share 2019	Δ	
	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017		2019/2018	2019/2017	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2017		2019/2018	2019/2017
1 Rio Grande do Sul	161.599.323	180.410.562	191.335.459	25,7%	-10,4%	-15,5%	19.831.416	19.548.094	22.104.910	21,1%	1,4%	-10,3%
2 São Paulo	100.329.359	146.587.353	188.815.227	16,0%	-31,6%	-46,9%	12.921.999	16.163.966	19.058.895	13,7%	-20,1%	-32,2%
3 Goiás	90.516.240	121.018.683	152.457.694	14,4%	-25,2%	-40,6%	15.126.075	14.570.804	16.457.690	16,1%	3,8%	-8,1%
4 Paraná	83.469.760	80.474.571	134.740.184	13,3%	3,7%	-38,1%	15.628.539	12.284.524	14.806.208	16,6%	27,2%	5,6%
5 Bahia	39.138.919	58.764.827	67.895.220	6,2%	-33,4%	-42,4%	5.302.948	7.172.521	6.431.491	5,6%	-26,1%	-17,5%
6 Mato Grosso do Sul	35.374.073	47.245.647	46.550.906	5,6%	-25,1%	-24,0%	7.389.448	6.665.013	5.636.683	7,9%	10,9%	31,1%
7 Santa Catarina	32.320.947	46.427.399	49.856.304	5,1%	-30,4%	-35,2%	4.404.749	5.091.848	4.654.269	4,7%	-13,5%	-5,4%
8 Ceará	29.193.296	39.543.419	67.497.935	4,6%	-26,2%	-56,7%	3.192.028	3.646.493	6.426.452	3,4%	-12,5%	-50,3%
9 Minas Gerais	18.834.707	20.487.816	40.891.772	3,0%	-8,1%	-53,9%	3.215.001	3.102.422	5.266.571	3,4%	3,6%	-39,0%
10 Pará	16.400.856	30.054.215	25.263.370	2,6%	-45,4%	-35,1%	3.156.674	3.825.506	2.691.969	3,4%	-17,5%	17,3%
11 Mato Grosso	11.259.292	19.775.275	25.323.204	1,8%	-43,1%	-55,5%	2.216.859	2.485.288	2.033.040	2,4%	-10,8%	9,0%
12 Piauí	2.039.570	405.700	488.979	0,3%	402,7%	317,1%	188.093	36.851	48.159	0,2%	410,4%	290,6%
13 Amazonas	1.700.219	183.444	0	0,3%	826,8%	-	484.802	32.910	0	0,5%	1373,1%	-
14 Tocantins	1.648.312	1.102.789	5.818.108	0,3%	49,5%	-71,7%	368.741	151.804	918.444	0,4%	142,9%	-59,9%
15 Rio de Janeiro	1.505.615	1.288.599	681.041	0,2%	16,8%	121,1%	57.000	34.355	2.713	0,1%	65,9%	2001,0%
16 Rondônia	1.115.008	0	0	0,2%	-	-	246.346	0	0	0,3%	-	-
17 Maranhão	604.139	921.511	2.090.083	0,1%	-34,4%	-71,1%	153.767	142.251	182.966	0,2%	8,1%	-16,0%
18 Sergipe	398.053	417.244	1.346.141	0,1%	-4,6%	-70,4%	114.446	96.654	127.863	0,1%	18,4%	-10,5%
19 Pernambuco	393.107	757.057	1.583.032	0,1%	-48,1%	-75,2%	26.848	74.221	134.924	0,03%	-63,8%	-80,1%
20 Acre	242.789	0	0	0,04%	-	-	38.383	0	0	0,0%	-	-
21 Amapá	240.463	237.185	380.571	0,04%	1,4%	-36,8%	0	0	0	0,0%	-	-
22 Espírito Santo	7.627	8.983	12.027	0,0%	-15,1%	-36,6%	80	97	88	0,0%	-17,5%	-9,1%
23 Not Declared*	0	772.651	389.357	0,0%	-100,0%	-100,0%	0	76.792	34.640	0,0%	-100,0%	-100,0%
Total	628.331.674	796.884.930	1.003.416.614	100,0%	-21,2%	-37,4%	94.064.242	95.202.414	107.017.975	100,0%	-1,2%	-12,1%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

