



BRAZILIAN EXPORTS OF HIDES AND SKINS

OCTOBER 2019



SUMMARY

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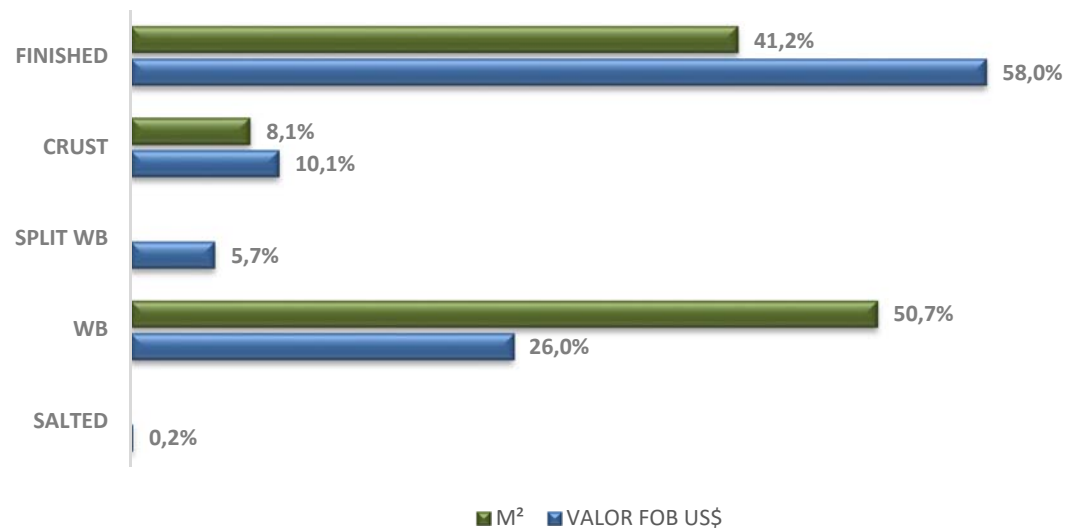
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

OCTOBER 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of October 2019, registered the amount of US\$ 83.1 million, down 31.2% year-on-year, when total exports were US\$ 120.8 million, however higher 2.7% compared to September, when amount was US\$ 81.0 million.

Considering exports in square meters, in October were shipped 14.5 million, higher 6.3% than previous month, when total was 13.7 million. From January to October, exported area is 0.8% lower than 2018.

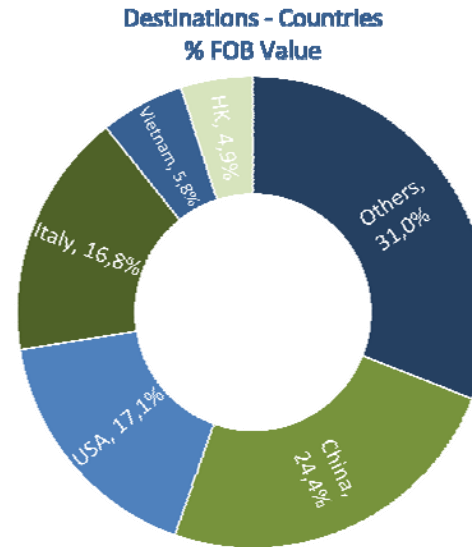
Profile of October 2019 exports is the following:



These are the variations of the Brazilian exports of bovine leather, considering January to October, year-on-year:

- Salted hides down 11.6% in value and up 11.7% in weight;
- Wet Blue declined 27.5% in value, but were up 9.0% in area;
- Split WB higher 4.8% in value, but down 2.1% in area;
- Crust was lower 25.1% in value and 18.8% in area;
- Finished leather also lower 19.7% in value and 6.2% in area.

Below are destinations from January to October 2019:



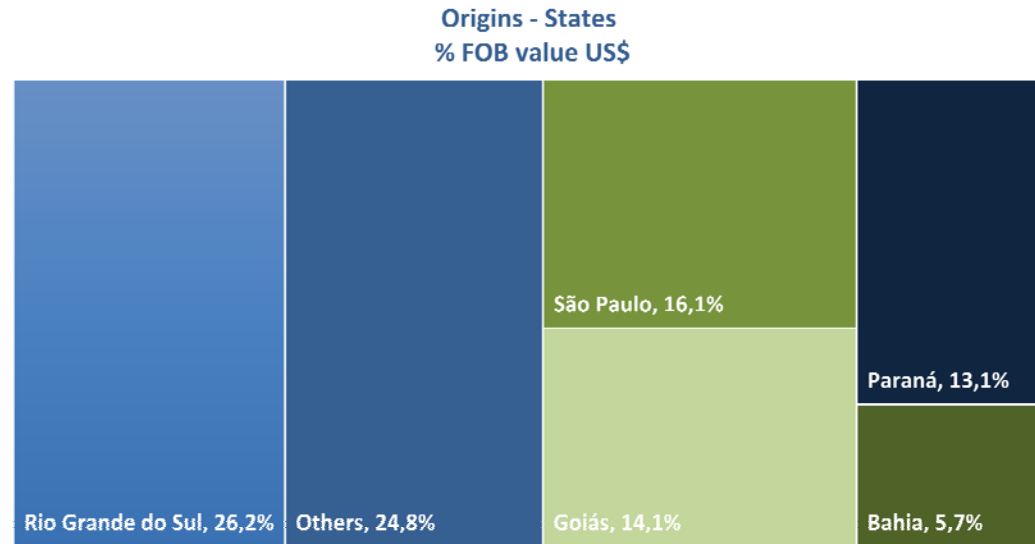
Below are some highlights of the results in 2019 for the three main destinations for Brazilian leather:

- China, with share of 24.4% in value, grew 7.5% in trade area (before +4.8%), however decreased 25.0% (-26.7%) in value;
- USA, with share of 17.1% in value, had reduction of 9.6% (-7.6%) in area and down 19.9% (-17.9%) in value;
- Italy, with share of 16.8% in value, now has reduction of 9.6% (-6.4%) in trade area, and also down 24.2% (-20.7%) considering value.

Looking at performance in the year, Italy and the US continue to show declining, worsening the buying performance of Brazilian leather, both in value and area. On the other hand, China shows increase in volume, with share improvement.

Other countries considered important players in the leather trade and also some of the target markets for the Brazilian Leather project show the following performance: Vietnam, with -11.2% in value and -12.4% in area; Germany, with significant increase of +59.4% in value and +97.5% in area; Hong Kong with +30.0% in area but still down 25.4% in value; Mexico, growing 10.5% in area, but now decreasing 5.9% in value; India with +28.9% in value and +72.7% in area; and finally, Spain with -3.3% in value and -1.6% in area.

Below share of the states with relevant exports to the sector in 2019:



Some highlights considering exporting states:

- Among the ten states with largest exports in the country, only Paraná, Mato Grosso do Sul, and Minas Gerais show growth in exported area. All ten states show reductions in value.

- The largest drops in value are: Pará with -40.5%; Bahia with -31.3%; Goiás with -28.6%; and São Paulo with -28.1%.

- Rio Grande do Sul remains leader in shipments considering value and area, with share of 26.2% and 21.0%, respectively. São Paulo remains in second considering value, with 16.1% share, but losing in volume (14.0%) to Paraná (16.4%) and Goiás (15.4%). Goiás, therefore, is the third in volume and value.

- With lower share, Piauí (+208.2%), Tocantins (+125.8%), and Amazonas (+52.2%) still showing significant growth in value.

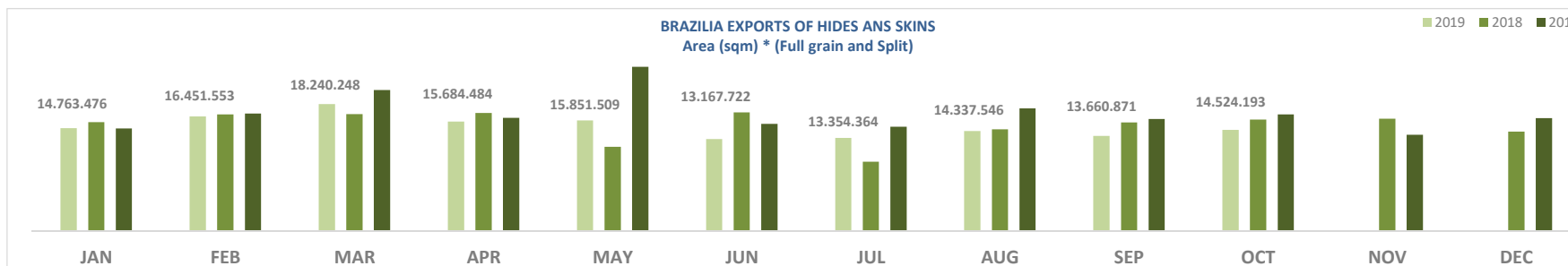
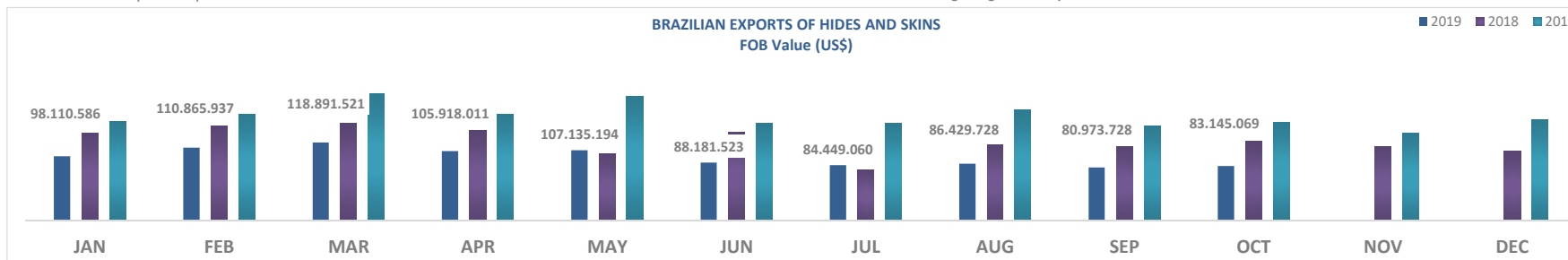
Stability in trade area (-0.8%) continues to contrast with the fall in value in 2019, which now increased to -21.2%. the share of Wet Blue leather in exported volumes surpassed Finished leather this year, with 47.6% against 45.3%. Despite this situation, the value of Finished leather continues to predominate in total exports, with a share of 60.2%. The price of Wet Blue leather in US Dollars has fallen more than 56% since 2016, while Finished leather has decreased by 24% over same period. -

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	98.110.586	132.850.230	150.594.334	-7,0%	-26,1%	-34,9%	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	118.891.521	147.515.178	192.569.385	7,2%	-19,4%	-38,3%	18.240.248	16.782.906	20.239.371	10,9%	8,7%	-9,9%
APR	105.918.011	136.997.970	161.555.800	-10,9%	-22,7%	-34,4%	15.684.484	16.935.718	16.246.555	-14,0%	-7,4%	-3,5%
MAY	107.135.194	101.387.567	189.315.724	1,1%	5,7%	-43,4%	15.851.509	12.060.974	23.563.932	1,1%	31,4%	-32,7%
JUN	88.181.523	134.092.407	148.251.832	-17,7%	-34,2%	-40,5%	13.167.722	17.040.148	15.371.874	-16,9%	-22,7%	-14,3%
JUL	84.449.060	77.719.735	148.621.433	-4,2%	8,7%	-43,2%	13.354.364	9.932.091	14.941.331	1,4%	34,5%	-10,6%
AUG	86.429.728	115.879.312	168.323.058	2,3%	-25,4%	-48,7%	14.337.546	14.602.513	17.618.510	7,4%	-1,8%	-18,6%
SEP	80.973.728	112.331.092	144.028.851	-6,3%	-27,9%	-43,8%	13.660.871	15.567.194	16.067.572	-4,7%	-12,2%	-15,0%
OCT	83.145.069	120.783.613	149.290.587	2,7%	-31,2%	-44,3%	14.524.193	15.996.995	16.734.997	6,3%	-9,2%	-13,2%
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	964.100.357	1.442.564.795	1.899.502.493		-21,2%	-40,3%	150.035.966	181.657.880	202.376.524		-0,8%	-13,0%

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-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	Share 19	2019/2018	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	Share 19	2019/2018
1 China + Hong Kong	255.855.269	346.569.966	454.936.539	29,1%	-26,2%	50.321.556	46.940.996	50.948.794	37,2%	7,2%
China	212.469.960	289.948.283	390.325.876	24,1%	-26,7%	44.824.639	42.774.602	43.372.266	33,1%	4,8%
2 United States	152.299.011	185.491.832	226.086.541	17,3%	-17,9%	12.784.592	13.837.179	14.274.494	9,4%	-7,6%
3 Italy	149.033.859	188.021.942	263.234.362	16,9%	-20,7%	26.667.374	28.485.559	31.473.752	19,7%	-6,4%
4 Vietnam	51.577.756	57.229.451	103.036.840	5,9%	-9,9%	10.098.135	11.259.371	24.045.954	7,5%	-10,3%
5 Germany	48.721.918	27.768.023	38.748.775	5,5%	75,5%	4.331.931	1.985.577	2.626.289	3,2%	118,2%
Hong Kong	43.385.309	56.621.683	64.610.663	4,9%	-23,4%	5.496.917	4.166.394	7.576.528	4,1%	31,9%
6 Mexico	31.204.369	30.776.179	32.309.070	3,5%	1,4%	2.684.061	2.221.696	1.988.446	2,0%	20,8%
7 Thailand	25.721.600	39.382.018	48.963.825	2,9%	-34,7%	2.586.689	3.633.183	3.680.410	1,9%	-28,8%
8 Taiwan	18.703.261	20.900.470	19.482.324	2,1%	-10,5%	7.203.665	7.448.109	4.669.940	5,3%	-3,3%
9 India	16.221.277	11.912.217	10.894.649	1,8%	36,2%	4.731.529	2.484.621	1.686.974	3,5%	90,4%
10 Hungary	15.923.581	52.061.967	83.506.823	1,8%	-69,4%	1.237.194	3.784.555	5.187.925	0,9%	-67,3%
11 South Korea	12.547.480	15.429.466	37.709.313	1,4%	-18,7%	1.820.761	1.773.528	3.060.583	1,3%	2,7%
12 Indonesia	9.984.938	19.002.883	23.050.846	1,1%	-47,5%	990.603	1.482.331	1.791.663	0,7%	-33,2%
13 Netherlands	8.753.523	10.042.755	10.906.086	1,0%	-12,8%	982.899	883.007	816.927	0,7%	11,3%
14 Uruguay	7.523.919	11.362.197	12.655.017	0,9%	-33,8%	725.763	881.669	830.756	0,5%	-17,7%
15 Malaysia	6.212.857	9.267.134	6.076.517	0,7%	-33,0%	555.948	630.200	372.740	0,4%	-11,8%
16 Norway	6.111.219	9.577.510	12.836.027	0,7%	-36,2%	409.490	579.705	676.843	0,3%	-29,4%
17 Portugal	5.991.074	7.405.272	7.953.687	0,7%	-19,1%	776.442	869.344	798.396	0,57%	-10,7%
18 Tunisia	5.433.976	4.244.026	4.698.992	0,6%	28,0%	337.539	220.129	257.198	0,25%	53,3%
19 France	4.490.402	2.427.479	1.392.308	0,5%	85,0%	194.718	107.783	103.774	0,14%	80,7%
20 Spain	4.329.911	3.849.275	3.451.504	0,5%	12,5%	1.076.216	994.524	1.120.683	0,79%	8,2%
21 Canada	3.916.007	4.702.159	4.999.112	0,4%	-16,7%	222.578	266.555	257.005	0,2%	-16,5%
22 South Africa	3.604.507	6.677.949	14.307.179	0,4%	-46,0%	513.692	652.780	1.216.031	0,38%	-21,3%
23 United Kingdom	3.142.088	2.758.447	2.918.852	0,4%	13,9%	342.659	247.550	356.975	0,25%	38,4%
24 Argentina	3.103.143	2.830.692	2.950.484	0,4%	9,6%	245.714	243.231	197.954	0,18%	1,0%
25 Dominican Republic	2.572.523	3.915.429	6.544.141	0,3%	-34,3%	367.867	373.451	460.700	0,27%	-1,5%
26 Paraguay	2.287.783	2.082.871	3.883.082	0,3%	9,8%	400.640	298.709	495.777	0,30%	34,1%
27 Cambodia	2.018.897	1.159.703	835.673	0,2%	74,1%	251.982	452.982	247.590	0,19%	-44,4%
28 Chile	1.915.815	1.748.975	2.531.721	0,2%	9,5%	216.264	170.115	237.124	0,16%	27,1%
29 Australia	1.905.649	3.445.716	3.635.688	0,2%	-44,7%	144.160	204.396	204.721	0,11%	-29,5%
30 Denmark	1.554.547	2.014.324	1.919.401	0,2%	-22,8%	110.578	126.070	112.492	0,08%	-12,3%
Other (2019: +50 countries)	17.952.711	18.756.742	17.934.578	2,0%	-4,3%	2.112.757	1.765.307	1.446.478	1,6%	19,7%
Total	880.614.870	1.102.815.069	1.464.389.956		-20,1%	135.445.996	135.304.212	155.645.388		0,1%

Source: MDIC/SECEX - Prepared by: CICB

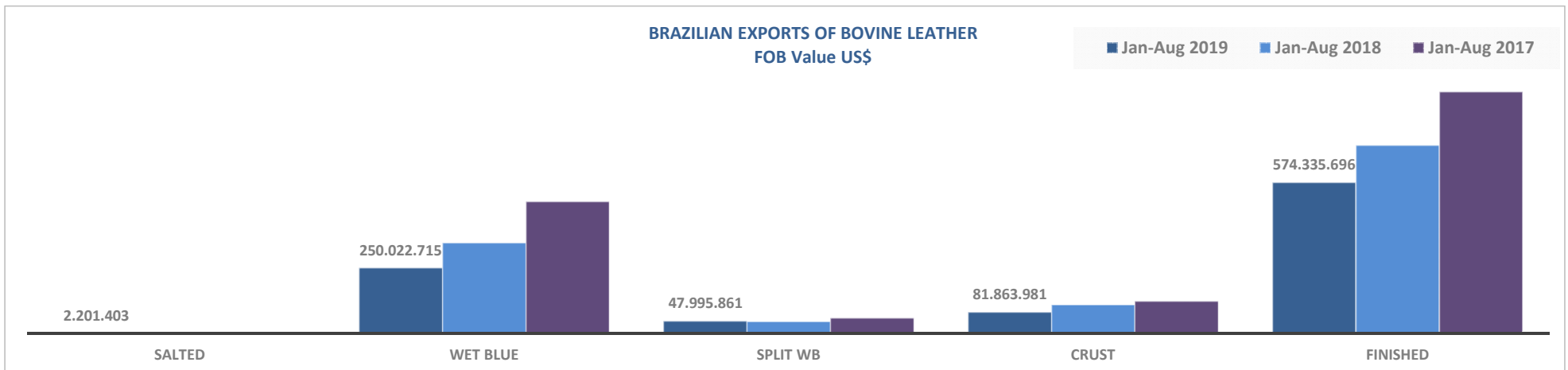
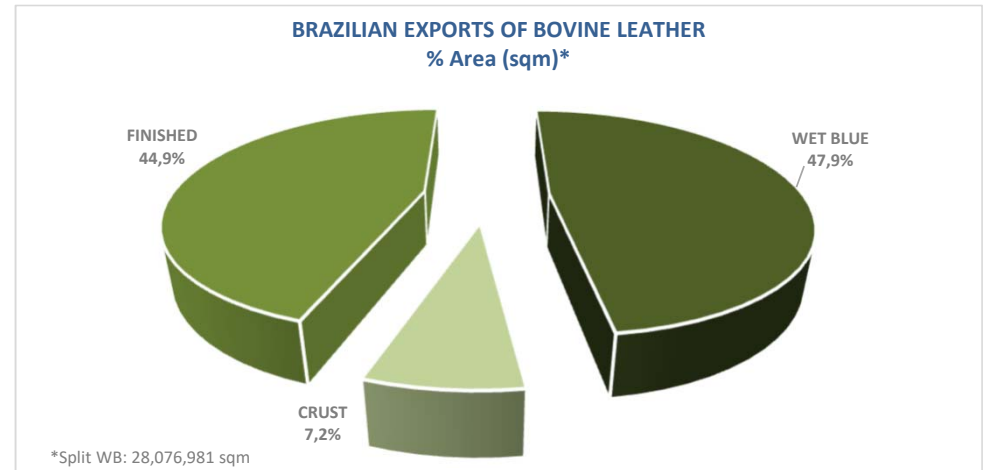
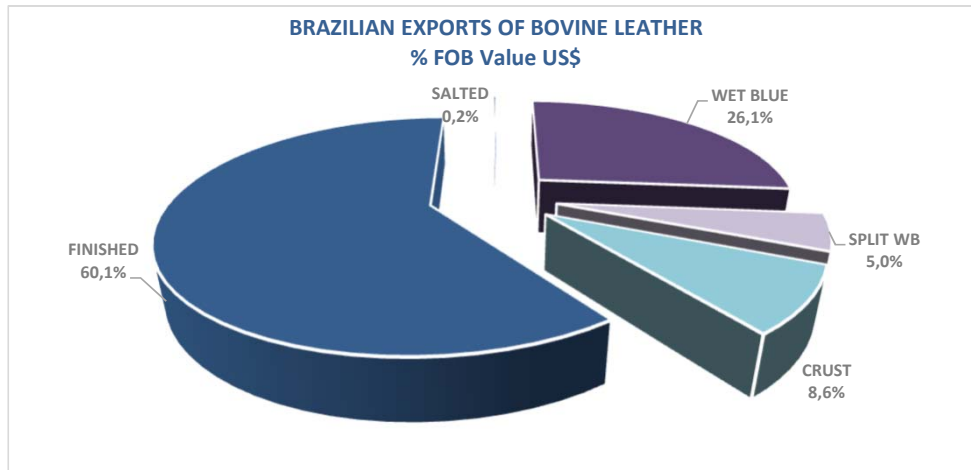
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	2019/2018	2019/2017	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	2019/2018	2019/2017
SALTED	2.201.403	2.491.174	3.195.491	-11,6%	-31,1%	-	-	-	-	-
WET BLUE	250.022.715	344.718.147	501.798.942	-27,5%	-50,2%	56.777.307	52.070.671	58.732.527	9,0%	-3,3%
SPLIT WB	47.995.861	45.798.994	59.539.922	4,8%	-19,4%	-	-	-	-	-
CRUST	81.863.981	109.276.780	123.216.539	-25,1%	-33,6%	8.553.933	10.535.191	9.370.828	-18,8%	-8,7%
FINISHED	574.335.696	715.615.085	918.810.481	-19,7%	-37,5%	53.200.784	56.704.817	66.370.671	-6,2%	-19,8%
Total	956.419.656	1.217.900.180	1.606.561.375	-21,5%	-40,5%	118.532.024	119.310.679	134.474.026	-0,7%	-11,9%

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-Aug 2019	Jan-Aug 2018	Jan-Aug 2017		2019/2018	2019/2017	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017		2019/2018	2019/2017
1 Rio Grande do Sul	252.317.406	296.354.309	311.924.758	26,2%	-14,9%	-19,1%	31.488.600	32.757.622	32.903.083	21,0%	-3,9%	-4,3%
2 São Paulo	155.157.795	215.765.910	301.518.245	16,1%	-28,1%	-48,5%	21.000.296	23.924.663	30.037.944	14,0%	-12,2%	-30,1%
3 Goiás	136.073.164	190.516.856	250.075.950	14,1%	-28,6%	-45,6%	23.087.273	24.864.797	29.276.633	15,4%	-7,1%	-21,1%
4 Paraná	126.138.126	133.085.212	211.187.489	13,1%	-5,2%	-40,3%	24.679.107	20.787.212	23.896.693	16,4%	18,7%	3,3%
5 Bahia	55.067.466	79.962.858	104.174.934	5,7%	-31,1%	-47,1%	7.632.724	9.235.503	10.381.342	5,1%	-17,4%	-26,5%
6 Mato Grosso do Sul	54.910.476	71.229.386	85.083.916	5,7%	-22,9%	-35,5%	12.196.431	10.268.597	9.674.265	8,1%	18,8%	26,1%
7 Santa Catarina	50.572.396	69.477.879	79.822.954	5,2%	-27,2%	-36,6%	7.480.260	8.106.716	7.460.972	5,0%	-7,7%	0,3%
8 Ceará	44.474.747	58.313.471	105.660.405	4,6%	-23,7%	-57,9%	4.874.128	5.601.692	9.638.180	3,2%	-13,0%	-49,4%
9 Minas Gerais	27.572.052	29.512.668	58.364.704	2,9%	-6,6%	-52,8%	4.819.188	4.612.988	7.802.664	3,2%	4,5%	-38,2%
10 Pará	23.513.323	39.549.475	42.836.966	2,4%	-40,5%	-45,1%	5.064.874	5.422.791	4.444.823	3,4%	-6,6%	13,9%
11 Mato Grosso	22.712.456	27.759.780	42.051.499	2,4%	-18,2%	-46,0%	4.943.936	4.144.755	3.692.730	3,3%	19,3%	33,9%
12 Tocantins	3.073.646	1.361.498	9.844.752	0,3%	125,8%	-68,8%	709.416	196.324	2.286.043	0,5%	261,3%	-69,0%
13 Piauí	2.930.733	950.875	1.390.106	0,3%	208,2%	110,8%	258.363	88.973	128.364	0,2%	190,4%	101,3%
14 Rio de Janeiro	2.406.886	2.560.803	1.663.448	0,2%	-6,0%	44,7%	66.072	96.936	5.762	0,0%	-31,8%	1046,7%
15 Amazonas	2.252.700	1.479.622	0	0,2%	52,2%	-	680.776	282.606	0	0,5%	140,9%	-
16 Rondônia	2.109.854	0	0	0,2%	-	-	577.109	0	0	0,4%	-	-
17 Pernambuco	786.132	1.195.580	2.289.353	0,1%	-34,2%	-65,7%	48.514	106.438	189.605	0,0%	-54,4%	-74,4%
18 Maranhão	641.181	2.505.154	3.079.120	0,1%	-74,4%	-79,2%	160.315	493.554	310.613	0,1%	-67,5%	-48,4%
19 Acre	590.533	0	0	0,1%	-	-	150.597	0	0	0,10%	-	-
20 Sergipe	413.886	909.445	1.435.127	0,04%	-54,5%	-71,2%	117.759	232.020	139.869	0,1%	-49,2%	-15,8%
21 Amapá	369.406	314.249	457.281	0,04%	17,6%	-19,2%	0	0	0	0,0%	-	-
22 Espírito Santo	15.993	20.990	61.380	0,0%	-23,8%	-73,9%	228	222	15.623	0,0%	2,7%	-98,5%
23 Not Declared*	0	772.662	758.156	0,0%	-100,0%	-100,0%	0	76.798	95.177	0,0%	-100,0%	-100,0%
Total	964.100.357	1.223.598.682	1.613.680.543	100,0%	-21,2%	-40,3%	150.035.966	151.301.207	172.380.385	100,0%	-0,8%	-13,0%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

