



BRAZILIAN EXPORTS OF HIDES AND SKINS

JULY 2019

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1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

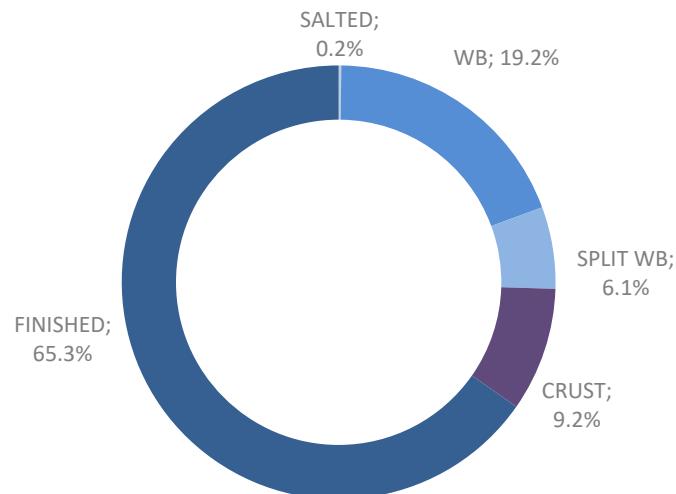
JULY 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of July 2019, registered the amount of US\$ 84.2 million, up 8.4% year-on-year, when total exports were US\$ 77.7 million, however down 3.7% compared to June, when amount was US\$ 87.5 million.

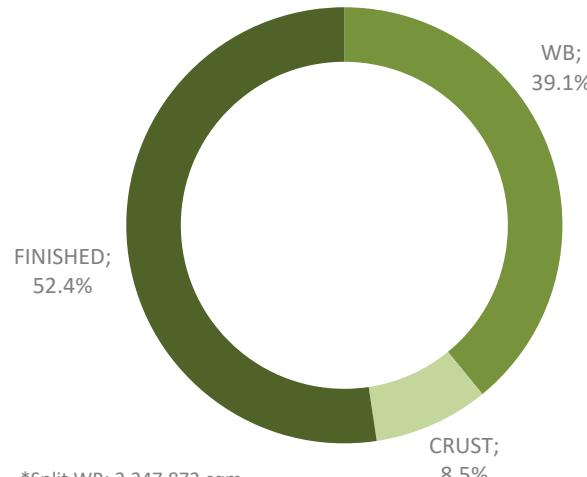
Considering exports in square meters, in July were shipped 13.3 million, expressive increase of 34.2% over same month of 2018, when total was 9.9 million. From January to July, exported area was 2.2% higher than 2018.

Profile of July 2019 exports is the following:

FOB VALUE US\$



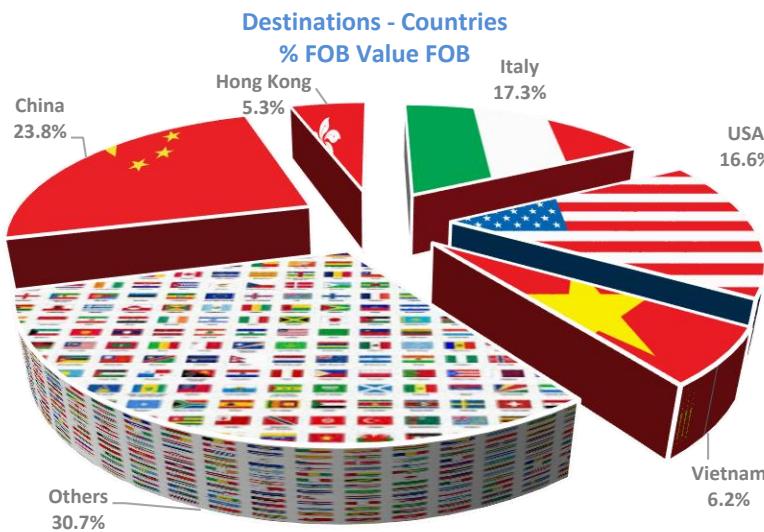
AREA sqm



Considering types of leather, these are the variations of the Brazilian exports of bovine hides, considering January to July, year-on-year:

- Salted hides down 4.5% in value and up 8.8% in weight;
- Wet Blue declined 26.2% in value, but were up 12.9% in area;
- Split WB higher 0.6% in value, but down 4.8% in area;
- Crust was lower 23.2% in value and 14.9% in area;
- Finished leather also lower 15.8% in value and 0.6% in area.

Below are destinations from January to July 2019:



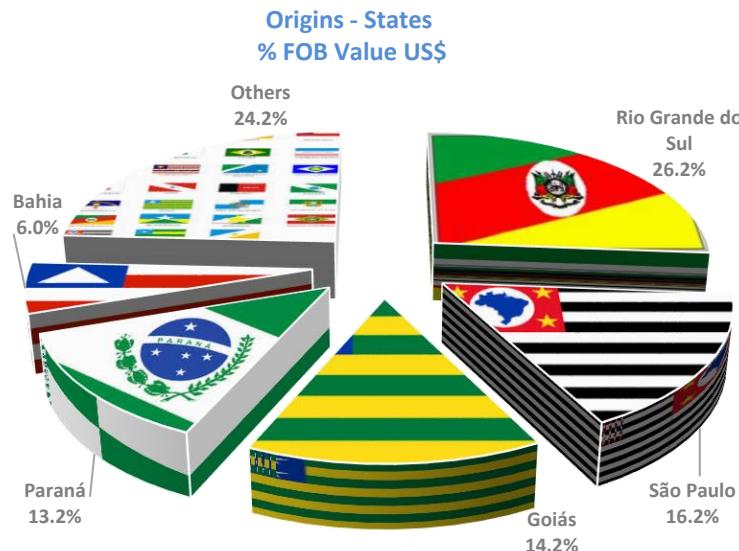
Below are some highlights of the results of the seven months of 2019, for some markets with relevant share in the exports of the sector:

- China, with share of 23.8%, grew 2.4% in trade area (before +0.2%), however decreased 27.4% (-30.0%) in value;
- Italy with share of 17.3%, grew by 4.3% (+2.3%) in trade area, but down 12.3% (-3.4%) considering value;
- USA with share of 16.6%, down 11.8% (-13.0%) in area and also down 20.9% (-23.9%) in value;

Thus, considering the performance of the three main markets for Brazilian leather compared to the same period of 2018, there was an improvement in volume growth of shipments to China and Italy in relation to the result until June. Exports to US also improved in July, but remain negative from 2018.

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 Germany, with +80.1% in value and +126.1% in area, Hong Kong with +43.3% in area but still down 13.8% in value, India with +41.7% in value and +108.3% in area, South Korea with +24.2% in area, but down 7.1% in value, and finally, Spain with +5.7% in value and -2.8% in area. France decreases accumulated growth, but still shows significant figures, with +172.6% in value (before +423.2%) and +157.6% in area (332.5%).

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



Some highlights considering exporting states:

- Paraná state remains the only state among the TOP10 to show value increase in the period (+3.0%), with highlights in the negative accumulated figures for São Paulo (-27.8%), Bahia (-31.1%), Santa Catarina (-26.6%), and Pará (-46.6%). Also concerned are the falls of more than 20% of Goiás, Mato Grosso do Sul, and Ceará;
- Rio Grande do Sul increased its leadership, now with share of 26.2% (25.7%), with São Paulo also improving share to 16.2% (16.0%). Goiás has new reduction for 14.2% (14.4%), with Paraná now showing 13.2% (13.3%);
- Among states with lowest share, Piauí and Amazonas continue to show significant growth in value, with 396% and 893% respectively, and 393% and 1.512% in area;

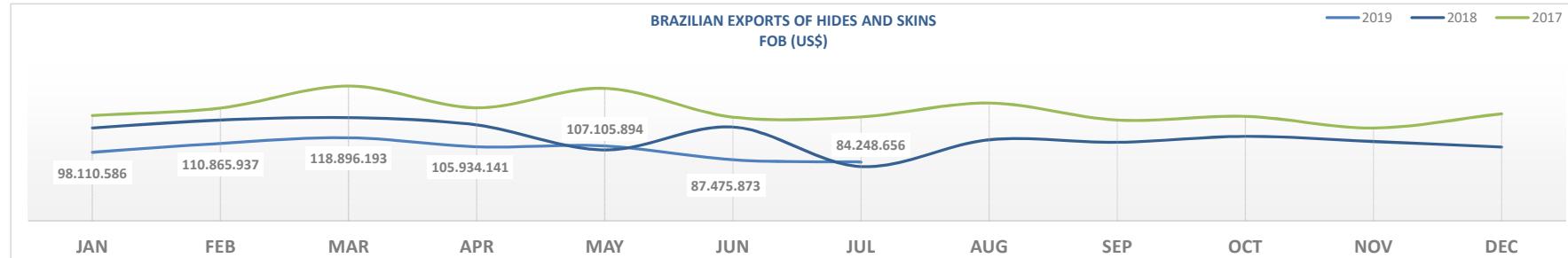
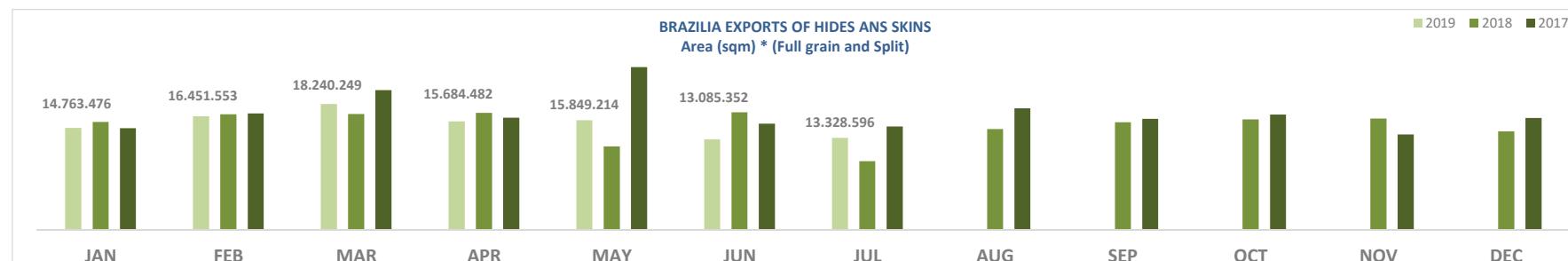
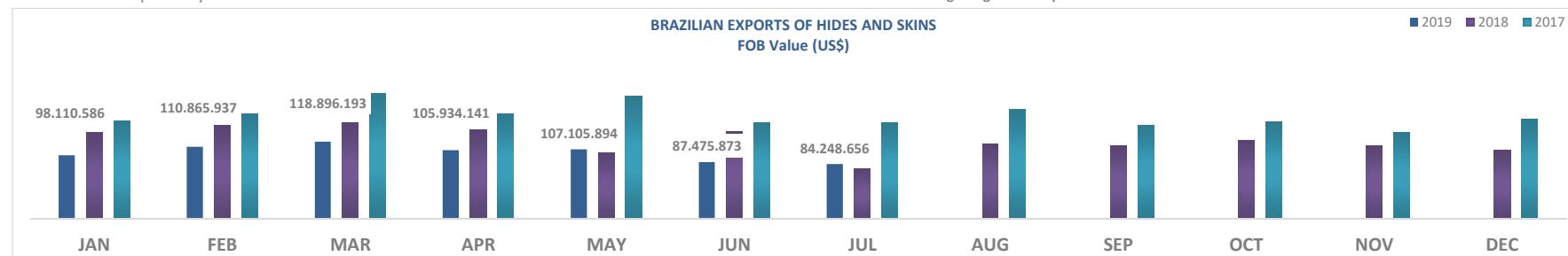
Despite the less favorable results compared to the values exported in the period, the seven months of 2019 ends with a positive variation in area compared to 2018, with +2.2%. Growth in shipped volumes of Wet Blue has been positively reflecting the total of 2019, in addition to the Finished leather recovery, which is now practically stable compared to 2018. Reductions remain stronger in Crust volumes and values. -

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	118.896.193	147.515.178	192.569.385	7,2%	-19,4%	-38,3%	18.240.249	16.782.906	20.239.371	10,9%	8,7%	-9,9%
APR	105.934.141	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	107.105.894	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	87.475.873	134.092.407	148.251.832	-18,3%	-34,8%	-41,0%	13.085.352	17.040.148	15.371.874	-17,4%	-23,2%	-14,9%
JUL	84.248.656	77.719.735	148.621.433	-3,7%	8,4%	-43,3%	13.328.596	9.932.091	14.941.331	1,9%	34,2%	-10,8%
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	712.637.280	1.442.564.795	1.899.502.493		-18,5%	-38,1%	107.402.922	181.657.882	202.337.344		2,2%	-11,9%

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-Jul 2019	Jan-Jul 2018	Jan-Jul 2017	Share 19	2019/2018	Jan-Jul 2019	Jan-Jul 2018	Jan-Jul 2017	Share 19	2019/2018	
1 China + Hong Kong	207.580.960	277.873.517	358.340.837	29,1%	-25,3%	39.313.416	37.101.246	40.588.164	5,5%	6,0%	
China	169.896.258	234.174.088	306.346.832	23,8%	-27,4%	34.687.397	33.872.015	33.693.821	4,9%	2,4%	
2 Italy	123.254.937	140.531.915	193.834.273	17,3%	-12,3%	21.435.483	20.547.865	22.601.520	3,0%	4,3%	
3 United States	118.475.551	149.719.139	183.089.626	16,6%	-20,9%	9.812.742	11.123.446	11.492.002	1,4%	-11,8%	
4 Vietnam	44.482.129	45.883.461	86.647.252	6,2%	-3,1%	8.592.627	8.893.639	20.020.623	1,2%	-3,4%	
5 Germany	39.154.693	21.740.742	32.054.346	5,5%	80,1%	3.397.787	1.502.615	2.207.866	0,5%	126,1%	
Hong Kong	37.684.702	43.699.429	51.994.005	5,3%	-13,8%	4.626.019	3.229.231	6.894.343	0,6%	43,3%	
6 Mexico	23.839.738	23.933.804	23.686.041	3,3%	-0,4%	2.004.805	1.719.640	1.368.904	0,3%	16,6%	
7 Thailand	22.053.239	31.664.077	38.979.762	3,1%	-30,4%	2.216.333	2.805.716	2.884.259	0,3%	-21,0%	
8 Taiwan	15.344.794	17.183.451	14.901.378	2,2%	-10,7%	5.755.260	6.081.309	3.402.546	0,8%	-5,4%	
9 India	13.030.247	9.196.322	8.336.490	1,8%	41,7%	3.786.418	1.818.071	1.217.020	0,5%	108,3%	
10 Hungary	11.842.486	41.507.799	66.001.792	1,7%	-71,5%	933.095	2.977.810	4.089.162	0,1%	-68,7%	
11 South Korea	9.393.740	10.115.681	31.053.714	1,3%	-7,1%	1.403.727	1.129.838	2.541.844	0,2%	24,2%	
12 Indonesia	8.990.525	16.834.523	21.083.757	1,3%	-46,6%	869.934	1.284.233	1.645.904	0,1%	-32,3%	
13 Netherlands	7.610.054	8.559.287	9.184.924	1,1%	-11,1%	850.610	746.082	681.896	0,1%	14,0%	
14 Uruguay	6.867.168	10.199.157	9.227.807	1,0%	-32,7%	665.755	779.043	595.263	0,1%	-14,5%	
15 Portugal	5.114.084	5.677.709	5.734.498	0,7%	-9,9%	665.682	638.370	589.707	0,1%	4,3%	
16 Malaysia	4.987.365	8.070.477	4.425.765	0,7%	-38,2%	408.074	540.130	272.222	0,1%	-24,4%	
17 Norway	4.950.777	7.356.984	10.500.388	0,7%	-32,7%	325.888	436.338	551.733	0,05%	-25,3%	
18 Tunisia	4.132.217	3.554.564	3.566.898	0,6%	16,3%	255.643	183.408	202.967	0,04%	39,4%	
19 France	3.799.726	1.393.646	1.049.880	0,5%	172,6%	163.293	63.384	89.573	0,02%	157,6%	
20 Canada	3.237.080	3.473.320	3.785.223	0,5%	-6,8%	185.650	197.781	197.151	0,03%	-6,1%	
21 Spain	2.914.285	2.755.876	2.598.358	0,4%	5,7%	781.484	803.644	961.401	0,1%	-2,8%	
22 United Kingdom	2.775.360	2.312.885	2.636.771	0,4%	20,0%	315.043	211.770	341.655	0,04%	48,8%	
23 South Africa	2.377.502	4.209.071	10.712.334	0,3%	-43,5%	318.789	400.848	914.344	0,04%	-20,5%	
24 Argentina	2.242.009	2.191.021	2.800.759	0,3%	2,3%	166.255	176.906	190.427	0,02%	-6,0%	
25 Dominican Republic	2.177.168	3.405.442	5.234.416	0,3%	-36,1%	311.403	316.487	350.064	0,04%	-1,6%	
26 Paraguay	1.701.113	1.555.807	2.579.082	0,2%	9,3%	297.011	219.065	319.666	0,04%	35,6%	
27 Cambodia	1.681.431	1.022.811	549.887	0,2%	64,4%	175.498	420.994	178.780	0,02%	-58,3%	
28 Australia	1.554.316	2.992.273	2.882.923	0,2%	-48,1%	115.229	176.791	162.845	0,02%	-34,8%	
29 Chile	1.531.222	1.557.220	2.143.926	0,2%	-1,7%	179.931	145.197	185.217	0,03%	23,9%	
30 Denmark	1.318.774	1.655.228	1.364.845	0,2%	-20,3%	91.192	101.911	78.776	0,01%	-10,5%	
Other (2019: +50 countries)	14.222.590	16.477.456	13.050.095	2,0%	-13,7%	1.608.865	1.590.928	1.035.805	0,2%	1,1%	
Total	712.637.280	874.604.665	1.152.038.047		-18,5%	107.402.922	105.134.505	121.959.306		2,2%	

Source: MDIC/SECEX - Prepared by: CICB

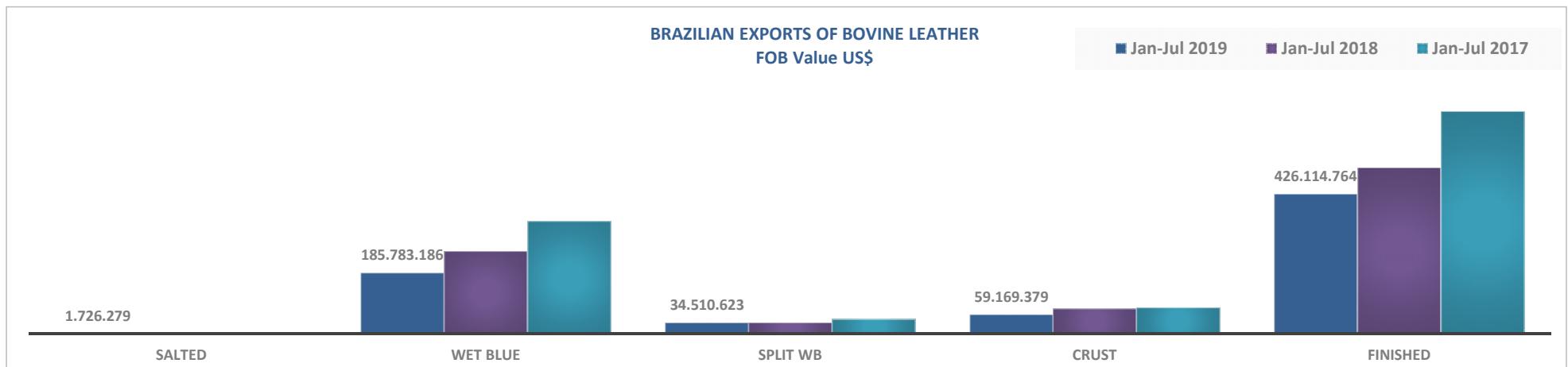
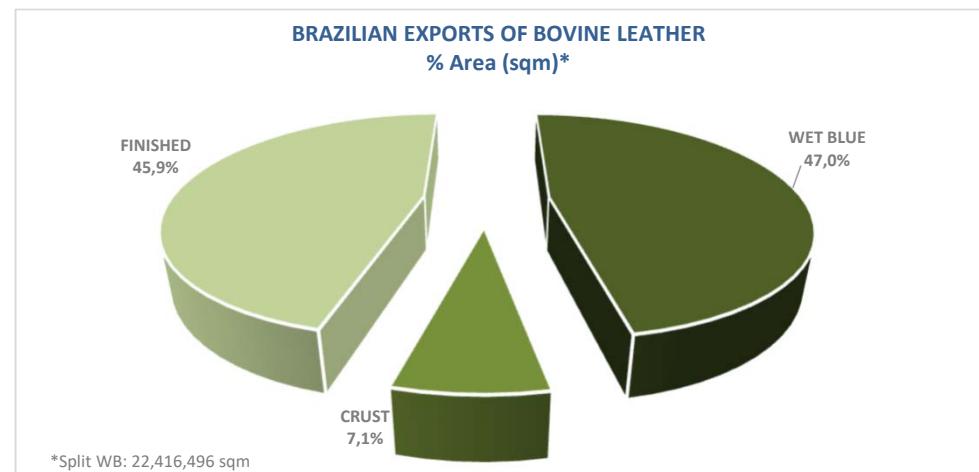
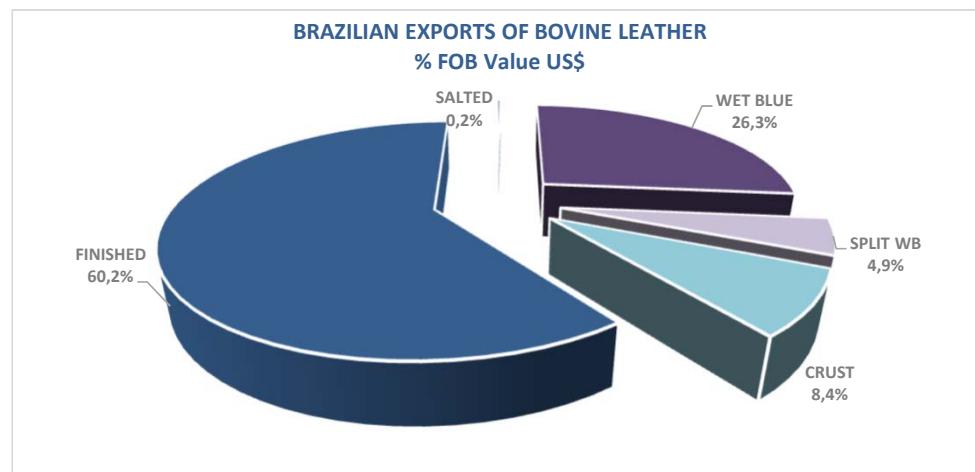
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Jul 2019	Jan-Jul 2018	Jan-Jul 2017	2019/2018	2019/2017	Jan-Jul 2019	Jan-Jul 2018	Jan-Jul 2017	2019/2018	2019/2017
SALTED	1.726.279	1.806.722	2.453.398	-4,5%	-29,6%	-	-	-	-	-
WET BLUE	185.783.186	251.860.422	343.069.280	-26,2%	-45,8%	39.833.896	35.293.644	38.061.083	12,9%	4,7%
SPLIT WB	34.510.623	34.300.423	44.319.438	0,6%	-22,1%	-	-	-	-	-
CRUST	59.169.379	77.000.120	79.916.411	-23,2%	-26,0%	5.988.127	7.039.863	5.833.731	-14,9%	2,6%
FINISHED	426.114.764	506.356.074	677.688.496	-15,8%	-37,1%	38.897.528	39.135.220	49.682.660	-0,6%	-21,7%
Total	707.304.231	871.323.761	1.147.447.023	-18,8%	-38,4%	84.719.551	81.468.727	93.577.474	4,0%	-9,5%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

		FOB VALUE (US\$)			Share 2019	Δ 2019/2018 2019/2017	AREA* (sqm)			Share 2019	Δ 2019/2018 2019/2017
		Jan-Jul 2019	Jan-Jul 2018	Jan-Jul 2017			Jan-Jul 2019	Jan-Jul 2018	Jan-Jul 2017		
1	Rio Grande do Sul	186.924.434	204.721.925	222.821.724	26,2%	-8,7% -16,1%	22.878.895	22.088.695	24.788.414	21,3%	3,6% -7,7%
2	São Paulo	115.382.633	159.706.015	215.357.743	16,2%	-27,8% -46,4%	14.990.057	17.589.539	21.424.716	14,0%	-14,8% -30,0%
3	Goiás	101.352.504	131.397.227	177.984.737	14,2%	-22,9% -43,1%	16.960.828	16.040.416	19.212.013	15,8%	5,7% -11,7%
4	Paraná	93.737.276	91.046.684	149.087.366	13,2%	3,0% -37,1%	17.824.599	13.765.939	16.453.768	16,6%	29,5% 8,3%
5	Bahia	42.658.780	61.954.858	78.777.355	6,0%	-31,1% -45,8%	5.784.793	7.437.255	7.800.827	5,4%	-22,2% -25,8%
6	Mato Grosso do Sul	39.699.416	51.661.740	55.116.974	5,6%	-23,2% -28,0%	8.429.051	7.369.735	6.397.477	7,8%	14,4% 31,8%
7	Santa Catarina	36.930.308	50.337.986	55.529.435	5,2%	-26,6% -33,5%	5.267.059	5.637.430	5.223.798	4,9%	-6,6% 0,8%
8	Ceará	33.189.159	41.930.560	76.348.923	4,7%	-20,8% -56,5%	3.727.410	3.959.930	7.187.553	3,5%	-5,9% -48,1%
9	Minas Gerais	21.515.387	21.699.629	45.596.324	3,0%	-0,8% -52,8%	3.704.848	3.330.407	5.927.299	3,4%	11,2% -37,5%
10	Pará	17.368.022	32.544.145	28.816.649	2,4%	-46,6% -39,7%	3.422.398	4.224.600	3.046.787	3,2%	-19,0% 12,3%
11	Mato Grosso	12.802.779	20.701.599	31.549.428	1,8%	-38,2% -59,4%	2.575.380	2.947.038	2.514.078	2,4%	-12,6% 2,4%
12	Piauí	2.239.076	451.267	642.929	0,3%	396,2% 248,3%	199.193	40.336	60.686	0,2%	393,8% 228,2%
13	Tocantins	1.961.987	1.131.050	6.955.151	0,3%	73,5% -71,8%	451.351	159.312	1.358.144	0,4%	183,3% -66,8%
14	Rio de Janeiro	1.833.295	1.495.119	907.433	0,3%	22,6% 102,0%	60.092	35.347	3.428	0,1%	70,0% 1653,0%
15	Amazonas	1.821.734	183.444	0	0,3%	893,1% -	530.496	32.910	0	0,5%	1512,0% -
16	Rondônia	1.096.696	0	0	0,2%	-	246.346	0	0	0,2%	- -
17	Maranhão	641.181	1.291.356	2.561.312	0,1%	-50,3% -75,0%	160.315	219.461	241.600	0,1%	-27,0% -33,6%
18	Pernambuco	574.638	909.412	1.653.282	0,1%	-36,8% -65,2%	36.774	82.556	139.467	0,0%	-55,5% -73,6%
19	Sergipe	398.053	417.244	1.346.141	0,1%	-4,6% -70,4%	114.446	96.654	127.863	0,11%	18,4% -10,5%
20	Amapá	272.055	237.185	415.842	0,04%	14,7% -34,6%	0	0	0	0,0%	- -
21	Acre	224.012	0	0	0,03%	-	38.383	0	0	0,0%	- -
22	Espírito Santo	13.855	13.558	12.027	0,0%	2,2% 15,2%	208	147	88	0,0%	41,5% 136,4%
23	Not Declared*	0	772.662	557.272	0,0%	-100,0% -100,0%	0	76.798	51.300	0,0%	-100,0% -100,0%
Total		712.637.280	874.604.665	1.152.038.047	100,0%	-18,5% -38,1%	107.402.922	105.134.505	121.959.306	100,0%	2,2% -11,9%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

