



BRAZILIAN EXPORTS OF HIDES AND SKINS

MAY 2020



SUMMARY

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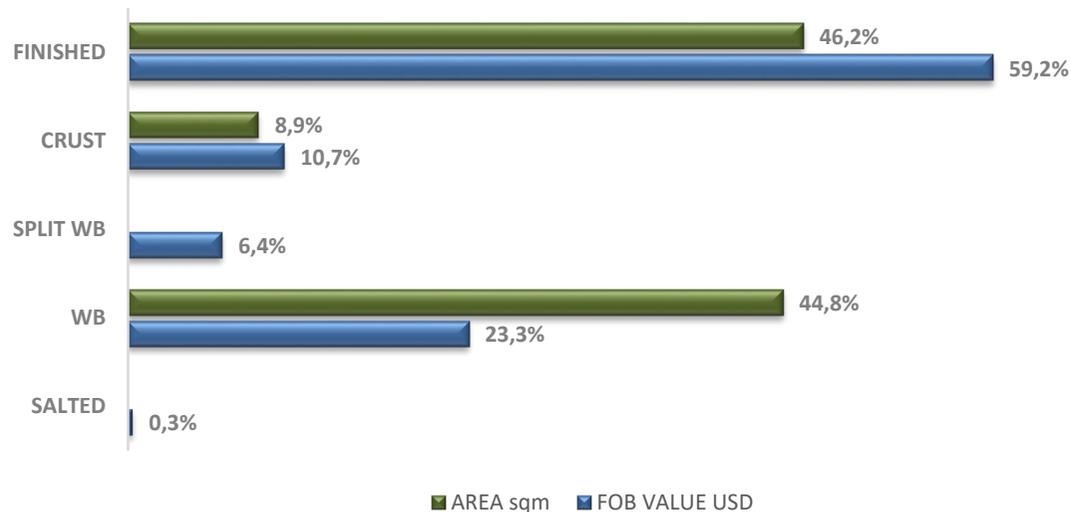
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

MAY 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of May 2020, registered the amount of US\$ 55.3 million, down 48.7% year-on-year, when total exports were US\$ 107.8 million, and also lower 20.8% compared to April, when amount was US\$ 69.9 million.

Considering exports in square meters, during May were shipped 10.1 million, down 36.6% year-on-year, and lower 19.4% than April, when total was 12.5 million.

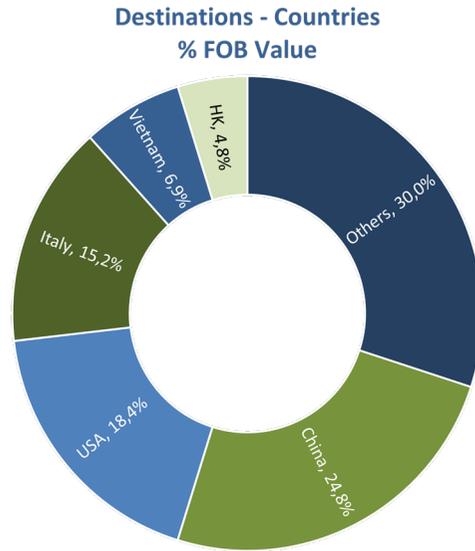
Below is the profile of 2020 exports till May:



These are the variations of the Brazilian exports of bovine leather during Jan/May 2020, year-on-year:

- Salted hides down 7.4% (before -18.9%) in value, but higher 67.5% (+49.9%) in weight;
- Wet Blue declined 38.2% (-37.6%) in value and 25.7% (-24.5%) in area;
- Split WB higher 3.0% (+9.1%) in value and 2.4% (+9.9%) in area;
- Crust now is lower 4.8% (+1.6%) in value, but higher 5.1% (+9.2%) in area;
- Finished leather lower 25.3% (-16.8%) in value and 15.1% (-5.6%) in area.

Below are the 2020 destinations till May:



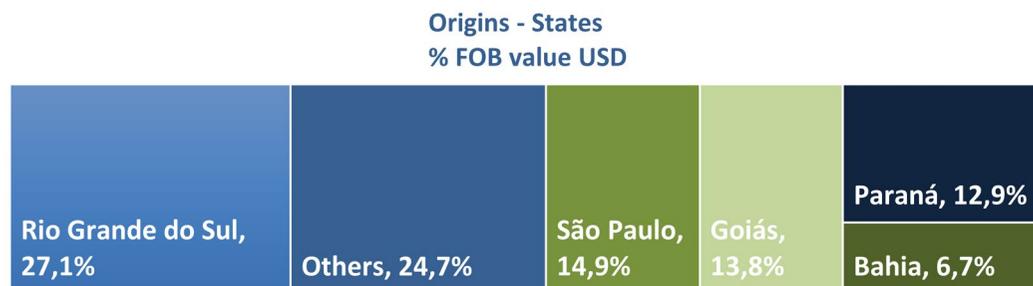
These are Jan/May 2020 highlights for the three main destinations for Brazilian leather:

- China, with share of 24.8% in value and 31.4% in area, falling 19.0% (previous -17.3%) in traded area and also -24.8% (-23.8%) in value;
- US, with share of 18.4% in value and 9.7% in area, down 6.6% (+15.1%) in area and 15.5% (+3.4%) in value;
- Italy, with share of 15.2% in value and 18.6% in area, has reduction of 24.1% (-20.5%) in traded area, and also down 37.4% (-34.5%) considering value.

With the results of the month of May, the three main destinations now show declines, both in value and area, over the same period of 2019. The US still had an increase in the previous month. In addition, the three markets have been worsening each month in the purchasing performance of Brazilian leather.

As an analysis of other countries considered important players in the leather trade, we highlight the following: Vietnam, in 4th place in the ranking (6.9% value share), shows increase of 19.9% (+27.2%) in area, but fall of 16.6% (-13.4%) in value; Hong Kong, with share of 4.8% in value, is keeping growth of 22.7% (+41.5%) in area, but down 37.3% (-32.9%) in value; and Mexico, with share of 4.1%, continues with increase of 13.1% (+34.0%) in area and 6.0% (+25.6%) in value. All the main destinations have been showing a worsening in the values and volumes imported compared to previous periods, as companies related to the sector in all countries still show weaknesses and production well below normal capacity. Among the thirty largest destinations, exports to Lithuania (+93.5% in value and +71.8% in area) and Poland (+84.6% in value and +168.8% in area) continue to stand out positively, and an African destination as well: Tunisia (+7.2% in value and +25.9% in area).

Below share of the states with relevant exports to the sector in 2020, till May:



Some highlights considering exporting states:

- Among the ten states with largest exports in the country, all now show decreases in values, with only three showing positive rates in the traded area, being: Bahia (+7.8%), Minas Gerais (+7.8%), and Mato Grosso do Sul (+6.5%);

- Still in the top ten, largest drops in value are: Ceará, with -48.7% (previous -41.4%); Pará, with -35.5% (-25.5%); Goiás, with -30.0% (-26.2%); São Paulo, with -29.9% (-22.7%); Santa Catarina, with -25.5% (-23.0%), and Paraná, with -25.1% (-17.8%);

- Rio Grande do Sul state remains leader in shipments, with share of 27.1% in value and 22.1% in area. São Paulo continues in second place in value (share of 14.9%), and fourth in area (share of 12.5%); Paraná falls to fourth position in value, with a share of 12.9%, but keeps second place in area, with 15.4%; Goiás now is third in value and area, with a 13.8% share in both criteria.

- Acre's export continues to stand out, with +850.2% in value and +1642.0% in area. Another important growth state is Rondônia, showing +88.9% in value and 160.2% in area.

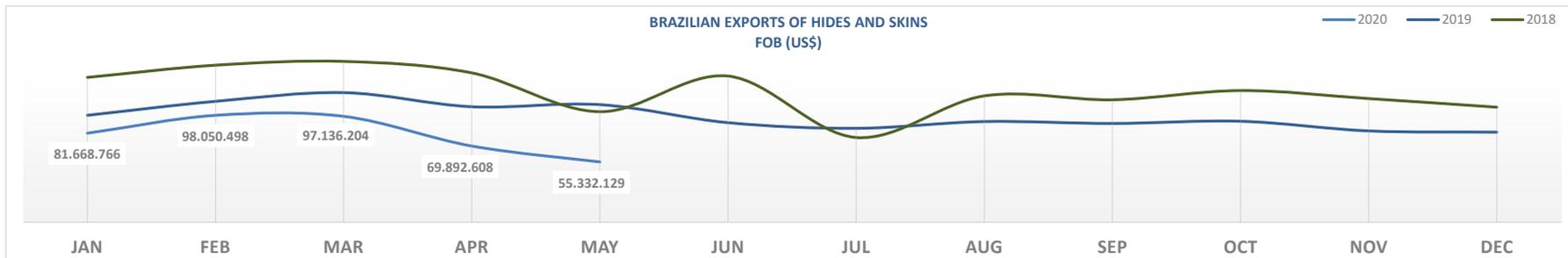
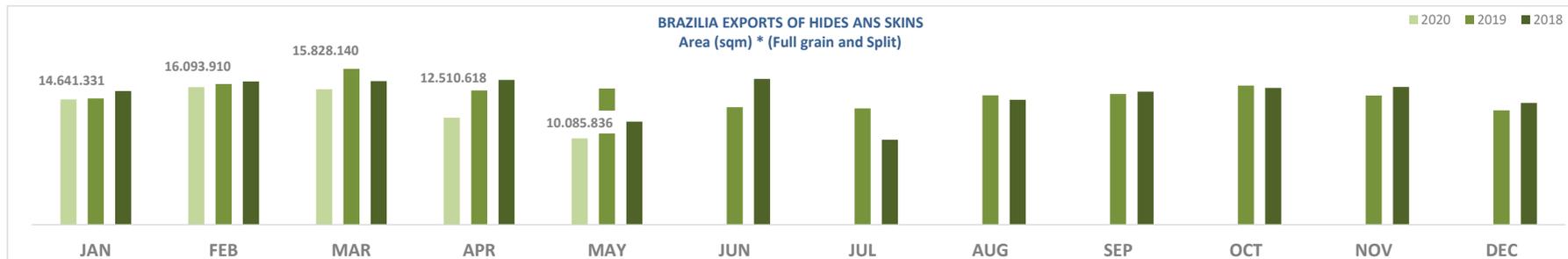
May was the most difficult month for the sector in recent history, with the lowest value exported since April 2000. The impact of the pandemic in the sector, with a consequent lack of demand, has worsened compared to previous months. The drop in the traded area, which until April was -9.3%, now accumulates a drop of 14.7% in the year. The figures also fell more than 5 percentage points compared to April. Crust leather, which was still at positive levels considering value, now falls 4.8%, still showing growth in area of 5.1%. Split WB still maintains growth in value and volume in the period, despite a reduction in the indexes every month. Monthly improvements in values and volumes only occur in salted hides. Even in China, the main market, the recovery is below expectations and very slow due to the lack of demand for finished products in the domestic market, in US and Europe. -

2 - BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA* (sqm)			Δ (%)		
	2020	2019	2018	MONTH 2019	2020/2019	2020/2018	2020	2019	2018	MONTH 2019	2020/2019	2020/2018
JAN	81.668.766	98.084.385	132.850.230	-1,1%	-16,7%	-38,5%	14.641.331	14.761.798	15.620.127	9,5%	-0,8%	-6,3%
FEB	98.050.498	110.865.937	144.041.578	20,1%	-11,6%	-31,9%	16.093.910	16.450.463	16.743.477	9,9%	-2,2%	-3,9%
MAR	97.136.204	118.876.746	147.515.178	-0,9%	-18,3%	-34,2%	15.828.140	18.232.700	16.782.906	-1,7%	-13,2%	-5,7%
APR	69.892.608	105.935.839	136.997.970	-28,0%	-34,0%	-49,0%	12.510.618	15.685.661	16.934.162	-21,0%	-20,2%	-26,1%
MAY	55.332.129	107.847.382	101.387.567	-20,8%	-48,7%	-45,4%	10.085.836	15.914.498	12.060.974	-19,4%	-36,6%	-16,4%
JUN		91.317.919	134.092.407					13.741.104	17.040.148			
JUL		86.133.297	77.719.735					13.605.791	9.931.991			
AUG		92.351.955	115.879.312					15.124.597	14.602.513			
SEP		90.587.484	112.331.092					15.293.740	15.567.193			
OCT		92.618.708	120.783.613					16.274.932	15.996.795			
NOV		83.767.663	113.432.678					15.092.702	16.111.481			
DEC		82.617.316	105.533.435					13.371.975	14.245.185			
Total	402.080.205	1.161.004.631	1.442.564.795		-25,8%	-39,3%	69.159.835	183.549.961	181.636.952		-14,7%	-11,5%

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-May 2020	Jan-May 2019	Jan-May 2018	Share 20	2020/2019	Jan-May 2020	Jan-May 2019	Jan-May 2018	Share 20	2020/2019
1 China + Hong Kong	118.938.518	163.284.603	211.293.126	29,6%	-27,2%	26.107.309	30.400.279	27.020.236	37,7%	-14,1%
China	99.703.793	132.593.866	180.208.806	24,8%	-24,8%	21.737.711	26.838.561	24.851.545	31,4%	-19,0%
2 United States	73.820.183	87.322.568	111.269.959	18,36%	-15,5%	6.734.461	7.212.215	8.035.650	9,7%	-6,6%
3 Italy	60.961.180	97.394.036	109.338.756	15,16%	-37,4%	12.875.306	16.964.647	16.289.446	18,6%	-24,1%
4 Vietnam	27.743.170	33.261.970	34.997.072	6,9%	-16,6%	7.361.994	6.140.051	6.232.030	10,6%	19,9%
Hong Kong	19.234.725	30.690.737	31.084.320	4,8%	-37,3%	4.369.598	3.561.718	2.168.691	6,3%	22,7%
5 Germany	17.518.735	26.783.742	17.595.819	4,4%	-34,6%	1.716.146	2.286.157	1.204.463	2,5%	-24,9%
6 Mexico	16.441.816	15.513.142	18.293.596	4,09%	6,0%	1.411.824	1.248.560	1.298.754	2,0%	13,1%
7 Thailand	12.241.419	16.645.496	24.115.534	3,0%	-26,5%	1.337.506	1.662.655	2.074.057	1,9%	-19,6%
8 Hungary	9.133.428	9.535.109	32.641.724	2,3%	-4,2%	794.256	745.918	2.334.362	1,1%	6,5%
9 Taiwan	8.025.857	11.352.412	13.930.551	2,0%	-29,3%	2.738.882	3.965.602	4.653.848	4,0%	-30,9%
10 Indonesia	6.425.141	7.140.966	12.104.356	1,6%	-10,0%	744.903	675.749	908.491	1,1%	10,2%
11 India	6.014.843	9.519.924	7.294.363	1,5%	-36,8%	1.971.318	2.735.592	1.470.111	2,9%	-27,9%
12 South Korea	5.332.260	6.699.509	5.260.178	1,3%	-20,4%	771.057	1.003.927	590.179	1,1%	-23,2%
13 Netherlands	3.856.080	5.404.746	6.070.691	1,0%	-28,7%	433.639	604.114	529.257	0,6%	-28,2%
14 Norway	3.632.571	3.857.479	6.313.383	0,9%	-5,8%	264.973	247.946	372.892	0,4%	6,9%
15 Tunisia	3.219.573	3.003.350	2.608.411	0,8%	7,2%	226.003	179.549	131.562	0,3%	25,9%
16 Uruguay	2.407.303	6.066.573	7.609.649	0,6%	-60,3%	256.515	597.928	550.991	0,4%	-57,1%
17 Macau	1.970.672	0	0	0,5%	-	396.049	0	0	0,6%	-
18 Portugal	1.966.209	4.017.944	4.396.047	0,5%	-51,1%	300.692	533.312	493.458	0,4%	-43,6%
19 Malaysia	1.733.619	4.125.079	5.187.486	0,4%	-58,0%	127.544	331.462	345.276	0,2%	-61,5%
20 United Kingdom	1.703.900	2.093.650	1.737.205	0,4%	-18,6%	178.741	247.616	159.562	0,3%	-27,8%
21 Canada	1.695.491	2.408.074	2.347.005	0,4%	-29,6%	117.239	137.731	134.524	0,2%	-14,9%
22 Lithuania	1.349.096	697.128	713.662	0,3%	93,5%	87.508	50.948	39.409	0,1%	71,8%
23 South Africa	1.318.037	1.719.572	3.258.127	0,3%	-23,4%	257.605	228.179	297.121	0,4%	12,9%
24 Spain	1.287.374	2.635.847	2.144.765	0,3%	-51,2%	286.132	690.636	678.379	0,4%	-58,6%
25 Argentina	1.206.802	1.321.490	1.342.822	0,3%	-8,7%	204.275	106.653	106.869	0,3%	91,5%
26 Poland	1.162.828	629.801	1.382.189	0,3%	84,6%	125.286	46.613	127.644	0,2%	168,8%
27 Cambodia	1.087.535	1.545.243	681.468	0,3%	-29,6%	183.427	170.321	361.285	0,3%	7,7%
28 Dominican Republic	880.033	1.572.877	2.439.665	0,2%	-44,0%	145.645	237.304	211.503	0,2%	-38,6%
29 Chile	832.978	1.051.100	1.157.549	0,2%	-20,8%	117.127	116.287	106.774	0,2%	0,7%
30 France	805.433	2.768.849	543.331	0,2%	-70,9%	39.690	117.658	28.708	0,1%	-66,3%
Others (2020: +44 countries)	7.368.121	12.238.010	14.724.034	1,8%	-39,8%	846.783	1.359.511	1.354.805	1,2%	-37,7%
Total	402.080.205	541.610.289	662.792.523		-25,8%	69.159.835	81.045.120	78.141.646		-14,7%

Source: MDIC/SECEX - Prepared by: CICB

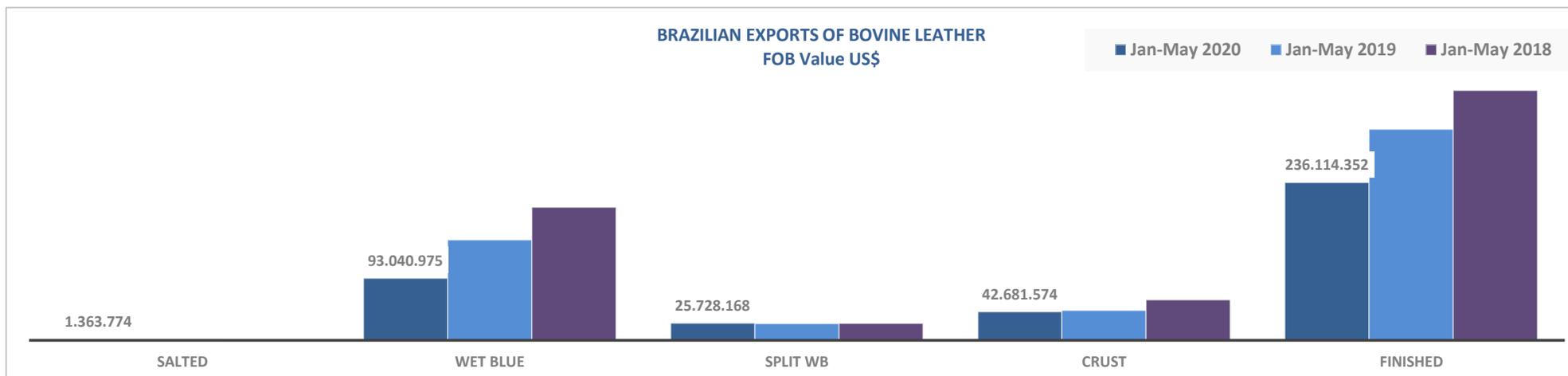
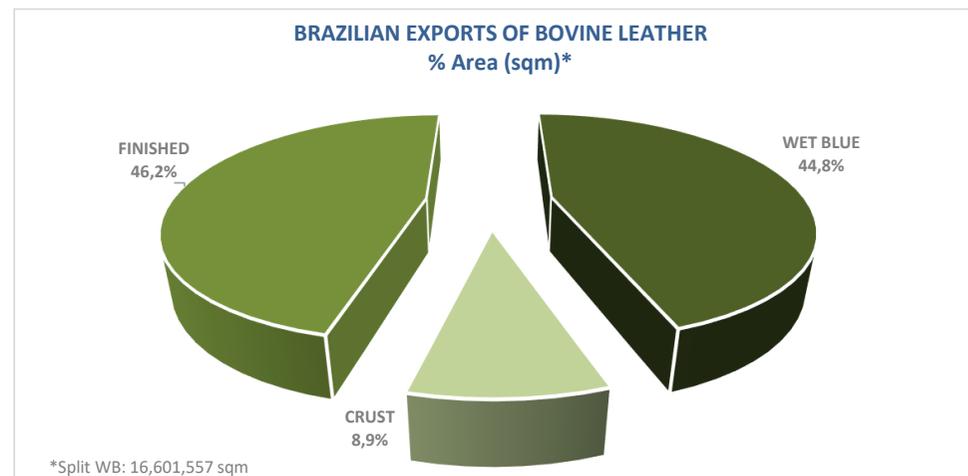
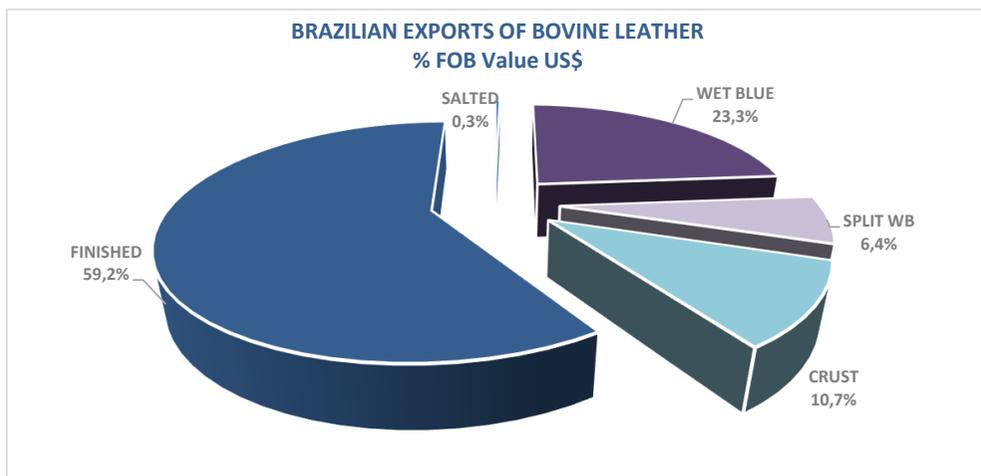
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-May 2020	Jan-May 2019	Jan-May 2018	2020/2019	2020/2018	Jan-May 2020	Jan-May 2019	Jan-May 2018	2020/2019	2020/2018
SALTED	1.363.774	1.472.541	1.209.175	-7,4%	12,8%	-	-	-	-	-
WET BLUE	93.040.975	150.446.007	199.226.696	-38,2%	-53,3%	23.509.674	31.630.720	26.650.487	-25,7%	-11,8%
SPLIT WB	25.728.168	24.977.214	25.351.740	3,0%	1,5%	-	-	-	-	-
CRUST	42.681.574	44.843.199	60.659.387	-4,8%	-29,6%	4.689.238	4.460.616	5.513.602	5,1%	-15,0%
FINISHED	236.114.352	316.006.687	374.000.281	-25,3%	-36,9%	24.227.945	28.538.816	28.466.775	-15,1%	-14,9%
Total	398.928.843	537.745.648	660.447.279	-25,8%	-39,6%	52.426.857	64.630.152	60.630.864	-18,9%	-13,5%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share 2020	Δ		AREA* (sqm)			Share 2020	Δ	
	Jan-May 2020	Jan-May 2019	Jan-May 2018		2020/2019	2020/2018	Jan-May 2020	Jan-May 2019	Jan-May 2018		2020/2019	2020/2018
1 Rio Grande do Sul	108.966.570	141.847.151	149.499.686	27,1%	-23,2%	-27,1%	15.284.114	17.354.834	16.031.149	22,1%	-11,9%	-4,7%
2 São Paulo	59.738.874	85.206.437	125.181.996	14,9%	-29,9%	-52,3%	8.613.755	10.953.630	13.682.639	12,5%	-21,4%	-37,0%
3 Goiás	55.460.155	79.183.780	100.780.835	13,8%	-30,0%	-45,0%	9.571.454	13.354.342	11.868.201	13,8%	-28,3%	-19,4%
4 Paraná	51.970.481	69.375.377	68.497.495	12,9%	-25,1%	-24,1%	10.629.930	12.992.727	10.392.232	15,4%	-18,2%	2,3%
5 Bahia	26.804.364	32.711.989	44.567.108	6,7%	-18,1%	-39,9%	4.667.857	4.331.413	5.481.027	6,7%	7,8%	-14,8%
6 Mato Grosso do Sul	26.667.751	30.076.550	41.964.225	6,6%	-11,3%	-36,5%	6.635.586	6.231.122	5.790.894	9,6%	6,5%	14,6%
7 Santa Catarina	21.455.940	28.798.393	39.025.931	5,3%	-25,5%	-45,0%	3.568.913	3.962.120	4.146.507	5,2%	-9,9%	-13,9%
8 Minas Gerais	14.959.158	16.234.557	15.292.681	3,7%	-7,9%	-2,2%	3.035.237	2.815.837	2.330.418	4,4%	7,8%	30,2%
9 Ceará	12.839.067	25.010.357	32.003.440	3,2%	-48,7%	-59,9%	1.589.444	2.855.034	2.841.048	2,3%	-44,3%	-44,1%
10 Pará	9.682.450	15.019.617	23.728.568	2,4%	-35,5%	-59,2%	2.332.893	2.854.373	2.960.279	3,4%	-18,3%	-21,2%
11 Mato Grosso	5.650.268	9.769.102	17.125.866	1,4%	-42,2%	-67,0%	1.389.369	1.887.606	2.089.803	2,0%	-26,4%	-33,5%
12 Rondônia	1.740.593	921.500	0	0,4%	88,9%	-	531.298	204.180	0	0,8%	160,2%	-
13 Rio de Janeiro	1.492.092	1.266.929	1.067.042	0,4%	17,8%	39,8%	14.516	54.590	33.755	0,02%	-73,4%	-57,0%
14 Acre	1.221.289	128.524	0	0,3%	850,2%	-	330.978	19.000	0	0,5%	1642,0%	-
15 Tocantins	757.385	1.264.996	1.025.883	0,2%	-40,1%	-26,2%	208.756	280.786	140.436	0,3%	-25,7%	48,6%
16 Amazonas	623.649	1.537.084	183.444	0,2%	-59,4%	240,0%	440.826	453.094	32.910	0,6%	-2,7%	1239,5%
17 Piauí	471.702	1.708.628	405.700	0,1%	-72,4%	16,3%	25.921	154.689	36.851	0,04%	-83,2%	-29,7%
18 Pernambuco	409.849	357.377	633.751	0,1%	14,7%	-35,3%	24.758	24.240	56.494	0,04%	2,1%	-56,2%
19 Maranhão	373.905	604.139	678.151	0,1%	-38,1%	-44,9%	144.939	153.767	111.543	0,2%	-5,7%	29,9%
20 Amapá	337.426	206.389	182.468	0,1%	63,5%	84,9%	0	0	0	0,0%	-	-
21 Sergipe	332.472	373.786	235.136	0,1%	-11,1%	41,4%	107.753	107.656	45.872	0,2%	0,1%	134,9%
22 Distrito Federal	71.557	0	0	0,02%	-	-	11.362	0	0	0,02%	-	-
23 Rio Grande do Norte	36.903	0	0	0,01%	-	-	0	0	0	0,0%	-	-
24 Espírito Santo	16.305	7.627	6.845	0,004%	113,8%	138,2%	176	80	77	0,000%	120,0%	128,6%
25 Not Declared*	0	0	706.272	0,0%	-	-100,0%	0	0	69.511	0,0%	-	-100,0%
Total	402.080.205	541.610.289	662.792.523	100,0%	-25,8%	-39,3%	69.159.835	81.045.120	78.141.646	100,0%	-14,7%	-11,5%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

