



BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2021

SUMMARY

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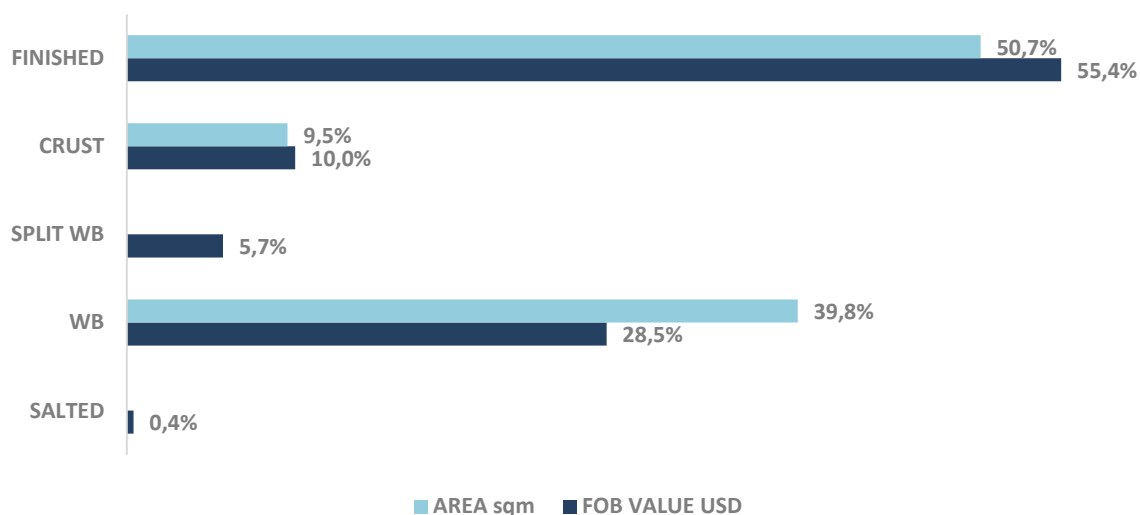
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2021

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of March 2021, amounted to US\$ 111.9 million, an increase of 15.4% year-on-year, when US\$ 97.0 million worth was exported. Also, reflects a figure 2.2% higher than February, when total was US\$ 109.5 million.

Considering exports in square meters, during March were shipped 15.1 million, 4.4% lower year-on-year, and also down 3.6% compared to the previous month, when total was 15.7 million.

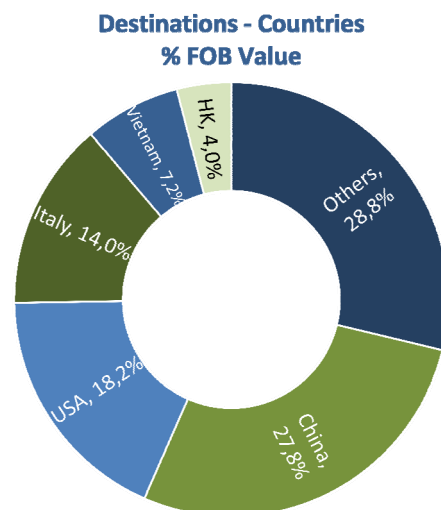
Below is the profile of 2021's bovine exports:



These are the variations of the Brazilian exports of bovine leather during 1Q 2021, year-on-year:

- Salted hides higher 76.8% (previous +134.7%) in value, and also +24.5% (previous +40.4%) in weight;
- Wet Blue increasing 44.5% (+46.7%) in value, but -15.2% (-10.7%) in area;
- Split WB now higher 10.9% (+2.8%) in value and 10.5% (+7.4%) in area;
- Crust increasing 12.1% (+4.7%) in value and also 3.9% (+0.2%) in area;
- Finished leather up 5.5% (+5.5%) in value, and also +1.3% (+3.7%) in area.

Below are the 2021 destinations:



Some highlights of results for 1Q 2021 of the three main destinations for Brazilian leather:

- China (without HK) has now share of 27.8% (previous 27.2%) in value and 32.3% (previous 32.8%) in area, with a monetary increase of 36.1% (+22.2%), and also up 3.7% (-2.5%) in volume;
- Italy, with share of 18.2% (20.9%) in value and 18.6% (21.2%) in area, with an increase of 36.5% (+61.3%) in value, but down 5.2% (+11.4%) in volume;
- United States, with a share of 14.0% (14.4%) in value and 8.6% (8.7%) in area, shows a monetary drop of 22.7% (-16.4%) and also a decrease of 26.0% (-20.1%) in volume.

The impact of new restrictions in Europe is already reflected in Italy, which now has a reduction in volume over the same period in 2020. In addition, the USA exacerbates declines in both value and volume. China continues to improve the Brazilian leather purchase indexes, in both aspects. If we add Hong Kong, China will have almost twice the volume share over Italy, which is the second placed in the ranking.

As an analysis of other countries considered important players for the Brazilian leather, we highlight the following: Vietnam, in 4th place in the ranking (improve share in value from 6.9% to 7.2%), had an increase of 32.5% (+47.2%) in value, and also 6.4% (+13.5%) in volume; Germany, improving share in value from 4.0% to 4.1%, shows now an increase of 2.9% (-1.7%) in value, but still down 4.0% (-7.0%) in area; and Thailand, keeping 6th place, with value growth of 15.4% (+46.7%), and also in area of 13.1% (+46.6%). Among the TOP30 destinations, the highest growth of 1Q is now with Japan, with +840.3% in value and +929.1% in volume, followed by Spain, with +389.1% in value and +653.1% in area.

Below share of the states with relevant exports to the sector during 2021:

Origins - States
% FOB value US\$



Some highlights considering exporting states:

- Among the TOP10, now drops in value are registered in Santa Catarina and Pará, compared to 1Q last year, with -1.9% and -1.1%, respectively;
- Despite these declines signaling practically stability, there were worrying reductions and, in more states, when considered the traded area, being: Pará (-41.7%), Mato Grosso do Sul (-31.1%), Bahia (-14.0%), Paraná (-7.0%), and Ceará (-4.2%).
- Still among the TOP10 and comparatively to the same quarter of 2020, the state with the greatest growth in value and volume is Minas Gerais, with +42.7% and +36.2%, respectively;
- Among all states, highest performances in value were in Rio Grande do Norte (+158.5%), and Piauí (+157.9%). Considering volume, was Piauí, with +332.3%. Rio Grande do Norte does not present values in area because it is about exports salted hides or parings. The same occurs in Amapá;
- Among the TOP4, São Paulo takes back second place from Paraná considering values, now showing a share of 15.0%, where Paraná has a 14.3% share. In volume, Paraná continues in second, with 15.3%, and São Paulo in third, with 14.6%. Goiás is fourth in terms of value (13.9% share) and also in area (13.7% share). Rio Grande do Sul maintains the leadership in terms of value (28.8%) and volume (27.6%), which represent almost twice the number of second places.

Despite the growth in value this month, the concern about the quantities shipped remains, worsening the fall registered in February. In March, there was an expressive growth of 15.4% over March 2020, and also 2.2% over February. This percentage of 15.4% is also the cumulative increase in the 1Q of the year, over the same period in 2020. However, the decrease in traded area over the equivalent month of 2020, which in February was -2.4%, now worsened to -4.4%, showing an accumulated value of -2.0% in the quarter. Another information that worries is considering the daily average of the exported volume, which was 1.49 thousand tons, against 1.70 thousand tons in March / 2020, a decrease of 12.4%.

About markets, practically all Asian countries show strength and present increases in value and volume in the consumption of Brazilian leather, led as usual by China, followed by Vietnam, Thailand and South Korea. The exception occurs in India, where the pandemic, which had already been causing damage, started to worsen in recent days, with a greater number of cases and deaths, in addition to new environmental problems faced by tanneries in the Kanpur region. The reflection is a drop of 31.7% in value and 63.6% in volume in this market.

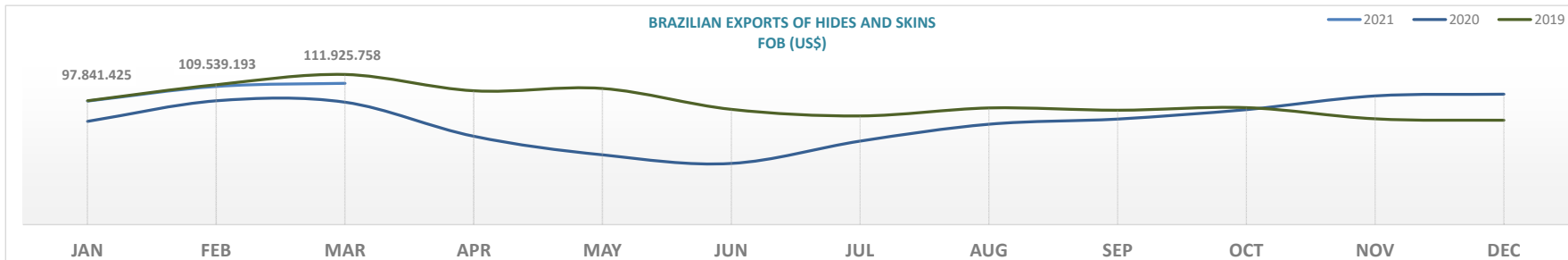
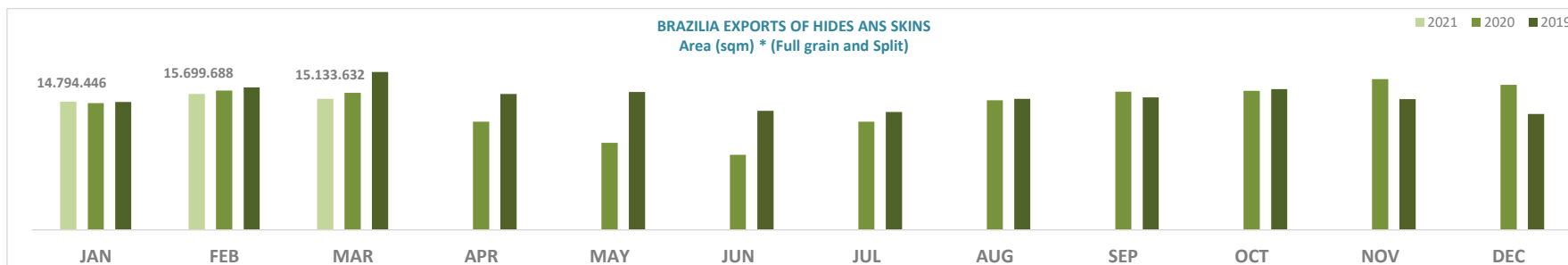
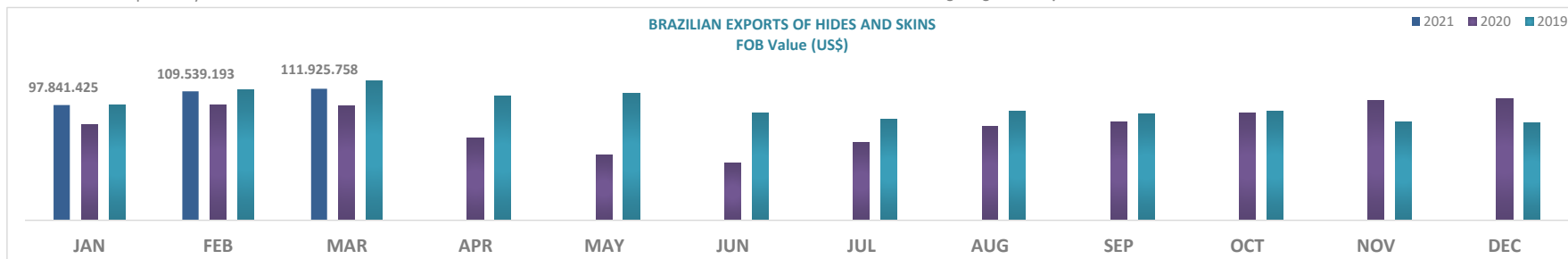
The expectation starts to be on the results starting in April, the month in which the sector's exports started to fall in 2020, reaching the lowest levels in June, with the worst result presented since April 1999. Recent price increases of the main raw material, combined with other important costs, such as transportation and chemical products, may end up reflecting in declines in the volumes sold by Brazilian tanneries, representing even greater challenges in front of a sector still looking for a recovery. -

2 - BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA* (sqm)			Δ (%)		
	2021	2020	2019	MONTH 2020	2021/2020	2021/2019	2021	2020	2019	MONTH 2020	2021/2020	2021/2019
JAN	97.841.425	81.668.858	98.084.401	-5,3%	19,8%	-0,2%	14.794.446	14.641.337	14.761.867	-11,8%	1,0%	0,2%
FEB	109.539.193	98.050.502	110.865.991	12,0%	11,7%	-1,2%	15.699.688	16.093.955	16.450.509	6,1%	-2,4%	-4,6%
MAR	111.925.758	96.997.936	118.876.743	2,2%	15,4%	-5,8%	15.133.632	15.827.958	18.232.727	-3,6%	-4,4%	-17,0%
APR		69.882.283	105.935.889					12.510.467	15.685.661			
MAY		55.183.982	107.847.365					10.065.058	15.914.498			
JUN		48.359.626	91.317.998					8.673.398	13.741.104			
JUL		66.205.213	86.133.361					12.498.924	13.605.791			
AUG		79.465.110	92.351.954					14.965.252	15.124.597			
SEP		83.687.412	90.587.503					15.976.269	15.293.740			
OCT		91.164.639	92.618.756					16.060.994	16.274.932			
NOV		102.004.642	83.767.691					17.398.468	15.092.702			
DEC		103.329.787	82.617.360					16.769.721	13.371.975			
Total	319.306.376	975.999.990	1.161.005.012		15,4%	-2,6%	45.627.766	171.481.801	183.550.103		-2,0%	-7,7%

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-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	Share 21	2021/2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	Share 21	2021/2020
1 China + Hong Kong	101.684.301	78.048.165	97.078.693	31,8%	30,3%	16.518.407	17.093.206	18.499.683	36,2%	-3,4%
China	88.762.782	65.204.932	79.882.921	27,80%	36,1%	14.715.702	14.197.088	16.584.852	32,3%	3,7%
2 Italy	58.105.329	42.577.797	62.410.090	18,20%	36,5%	8.482.030	8.947.349	10.798.841	18,6%	-5,2%
3 United States	44.808.285	57.980.974	52.275.435	14,03%	-22,7%	3.927.349	5.310.414	4.354.163	8,6%	-26,0%
4 Vietnam	22.885.582	17.269.843	19.228.361	7,2%	32,5%	5.124.734	4.816.847	3.384.376	11,2%	6,4%
5 Germany	13.064.812	12.690.541	16.951.309	4,1%	2,9%	1.215.239	1.265.227	1.446.629	2,7%	-4,0%
Hong Kong	12.921.519	12.843.233	17.195.772	4,0%	0,6%	1.802.705	2.896.118	1.914.831	4,0%	-37,8%
6 Thailand	9.545.912	8.272.655	11.060.196	3,0%	15,4%	967.709	855.690	1.107.063	2,1%	13,1%
7 Mexico	9.344.497	12.182.692	8.003.427	2,9%	-23,3%	637.261	1.029.004	617.527	1,4%	-38,1%
8 Hungary	8.907.602	6.568.995	4.906.887	2,8%	35,6%	739.121	559.183	371.306	1,6%	32,2%
9 South Korea	6.669.584	3.142.631	3.459.109	2,1%	112,2%	641.745	515.089	534.775	1,4%	24,6%
10 Taiwan	6.116.939	4.796.105	6.914.817	1,9%	27,5%	2.110.969	1.551.400	2.550.399	4,6%	36,1%
11 Indonesia	3.296.386	3.289.990	4.105.433	1,0%	0,2%	443.783	384.076	369.033	1,0%	15,5%
12 Norway	2.833.223	1.903.896	2.305.259	0,9%	48,8%	208.223	141.404	147.233	0,5%	47,3%
13 India	2.781.972	4.071.871	5.375.240	0,9%	-31,7%	460.727	1.267.147	1.637.347	1,0%	-63,6%
14 Netherlands	2.741.684	2.449.810	2.918.277	0,9%	11,9%	279.866	286.255	327.031	0,6%	-2,2%
15 Tunisia	2.729.825	2.118.271	1.654.892	0,9%	28,9%	183.103	148.209	92.298	0,4%	23,5%
16 Spain	2.626.868	537.117	1.793.565	0,8%	389,1%	1.068.774	141.914	411.444	2,3%	653,1%
17 Uruguay	2.565.534	1.781.160	4.719.934	0,8%	44,0%	437.990	205.725	476.610	1,0%	112,9%
18 Malaysia	1.871.793	1.375.248	3.313.795	0,6%	36,1%	158.496	103.549	258.219	0,3%	53,1%
19 Argentina	1.503.082	840.456	916.521	0,5%	78,8%	142.227	86.791	62.204	0,3%	63,9%
20 Macau	1.460.803	1.177.178	0	0,5%	24,1%	210.123	246.366	0	0,5%	-14,7%
21 Poland	1.346.182	1.028.187	222.332	0,4%	30,9%	142.937	111.756	16.075	0,3%	27,9%
22 Portugal	1.343.789	1.495.574	2.152.856	0,4%	-10,1%	168.740	214.547	338.586	0,4%	-21,4%
23 Chile	1.179.718	586.241	596.899	0,4%	101,2%	157.712	85.190	61.145	0,3%	85,1%
24 South Africa	1.176.982	1.007.643	909.404	0,4%	16,8%	144.925	192.979	119.869	0,3%	-24,9%
25 Canada	1.034.063	1.224.693	1.340.207	0,3%	-15,6%	71.385	84.087	77.078	0,2%	-15,1%
26 Switzerland	875.541	0	0	0,3%	-	255.278	0	0	0,6%	-
27 Dominican Republic	716.772	806.620	1.060.676	0,2%	-11,1%	89.896	139.674	155.559	0,2%	-35,6%
28 Australia	581.255	495.143	790.301	0,2%	17,4%	44.065	34.700	57.473	0,1%	27,0%
29 Cambodia	515.361	869.813	1.160.806	0,2%	-40,8%	76.445	113.541	135.024	0,2%	-32,7%
30 Japan	487.817	51.878	744.842	0,2%	840,3%	117.891	11.456	70.461	0,3%	929,1%
Others (2021: +28 countries)	4.504.883	6.076.109	9.457.572	1,4%	-25,9%	400.616	620.475	967.652	0,9%	-35,4%
Total	319.306.376	276.717.296	327.827.135		15,4%	45.627.766	46.563.250	49.445.103		-2,0%

Source: MDIC/SECEX - Prepared by: CICB

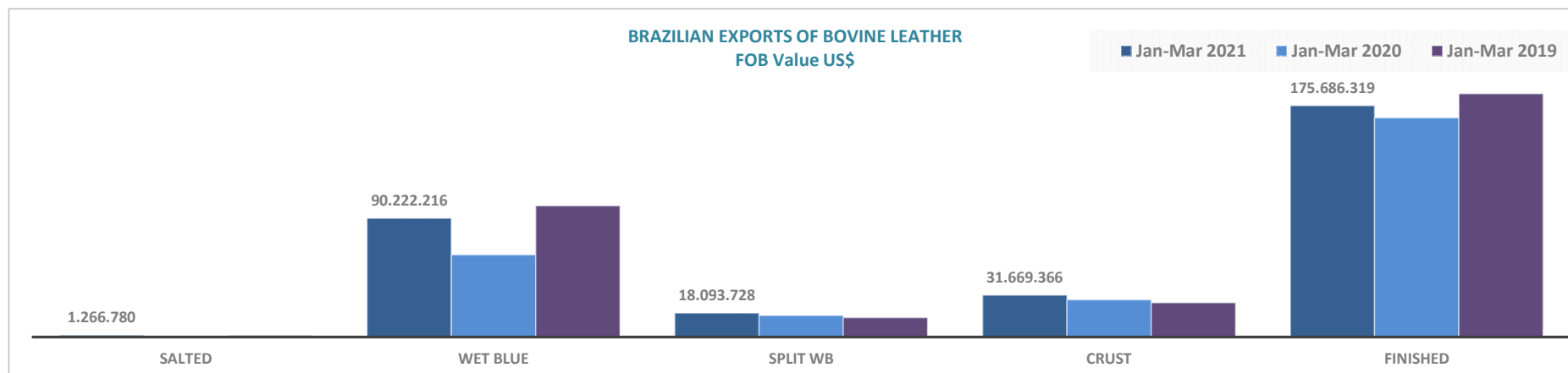
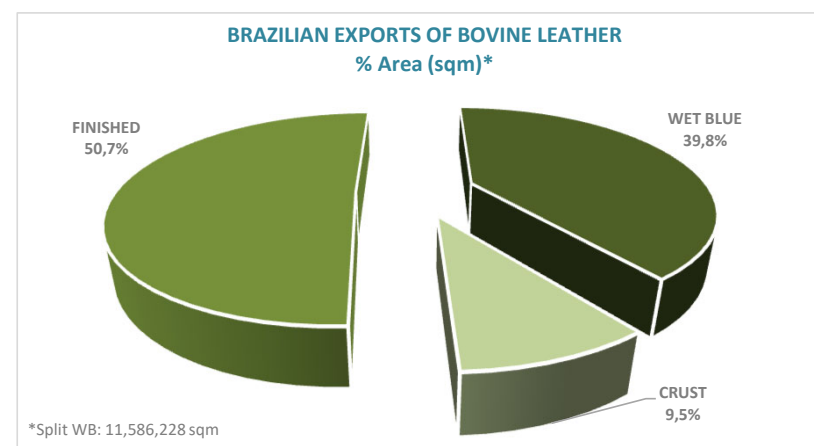
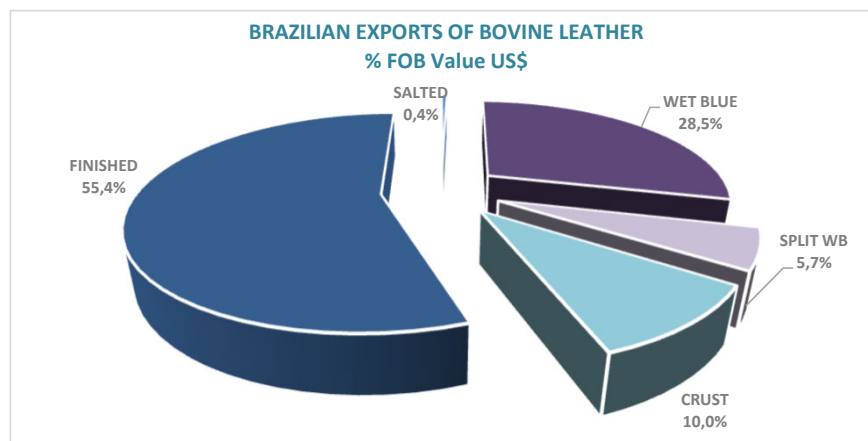
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ		WEIGHT (KG)			Δ	
	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	2021/2020	2021/2019	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	2021/2020	2021/2019	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019	2021/2020	2021/2019
SALTED	1.266.780	716.352	1.084.776	76,8%	16,8%	-	-	-	-	-	2.485.559	1.997.192	1.487.529	24,5%	67,1%
WET BLUE	90.222.216	62.423.983	99.670.873	44,5%	-9,5%	13.498.705	15.908.923	20.686.846	-15,2%	-34,7%	56.723.435	67.288.100	86.294.475	-15,7%	-34,3%
SPLIT WB	18.093.728	16.315.663	14.662.634	10,9%	23,4%	-	-	-	-	-	32.921.320	30.749.909	27.335.712	7,1%	20,4%
CRUST	31.669.366	28.261.549	25.908.253	12,1%	22,2%	3.233.699	3.112.064	2.661.674	3,9%	21,5%	3.083.869	3.054.730	2.610.743	1,0%	18,1%
FINISHED	175.686.319	166.505.065	184.649.788	5,5%	-4,9%	17.181.131	16.961.423	16.641.005	1,3%	3,2%	15.056.390	14.750.286	15.269.108	2,1%	-1,4%
Total	316.938.409	274.222.612	325.976.324	15,6%	-2,8%	33.913.535	35.982.410	39.989.525	-5,7%	-15,2%	110.270.573	117.840.217	132.997.567	-6,4%	-17,1%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share	Δ		AREA* (sqm)			Share	Δ	
	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019		2021/2020	2021/2019	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2019		2021/2020	2021/2019
1 Rio Grande do Sul	91.939.786	74.172.315	83.649.065	28,8%	24,0%	9,9%	12.615.294	10.164.601	10.538.960	27,6%	24,1%	19,7%
2 São Paulo	47.902.088	41.903.010	50.552.996	15,0%	14,3%	-5,2%	6.659.196	5.980.451	6.664.653	14,6%	11,3%	-0,1%
3 Paraná	45.601.458	39.854.108	45.121.736	14,3%	14,4%	1,1%	6.973.616	7.501.793	8.166.649	15,3%	-7,0%	-14,6%
4 Goiás	44.388.398	36.007.907	47.949.573	13,9%	23,3%	-7,4%	6.253.052	6.106.698	8.079.726	13,7%	2,4%	-22,6%
5 Mato Grosso do Sul	21.062.379	18.364.761	19.534.441	6,6%	14,7%	7,8%	3.190.198	4.630.910	3.949.218	7,0%	-31,1%	-19,2%
6 Bahia	16.595.634	15.601.482	19.171.157	5,2%	6,4%	-13,4%	2.407.022	2.800.153	2.464.702	5,3%	-14,0%	-2,3%
7 Santa Catarina	14.556.036	14.840.817	18.214.882	4,6%	-1,9%	-20,1%	2.382.193	2.381.120	2.585.842	5,2%	0,0%	-7,9%
8 Minas Gerais	12.634.473	8.856.037	8.806.121	4,0%	42,7%	43,5%	2.367.037	1.737.971	1.604.416	5,2%	36,2%	47,5%
9 Ceará	12.047.013	10.463.345	14.546.458	3,8%	15,1%	-17,2%	1.124.351	1.173.037	1.522.821	2,5%	-4,2%	-26,2%
10 Pará	7.061.060	7.142.549	9.258.195	2,2%	-1,1%	-23,7%	1.007.359	1.727.508	1.716.417	2,2%	-41,7%	-41,3%
11 Mato Grosso	2.670.515	3.762.991	6.469.921	0,8%	-29,0%	-58,7%	434.747	903.816	1.248.662	1,0%	-51,9%	-65,2%
12 Piauí	868.343	336.648	795.512	0,3%	157,9%	9,2%	77.149	17.847	86.254	0,2%	332,3%	-10,6%
13 Rio de Janeiro	650.218	1.232.592	608.817	0,2%	-47,2%	6,8%	6.898	12.120	48.510	0,02%	-43,1%	-85,8%
14 Distrito Federal	584.251	0	0	0,2%	-	-	81.397	0	0	0,2%	-	-
15 Amazonas	287.131	425.253	1.022.915	0,1%	-32,5%	-71,9%	43.118	387.183	321.109	0,1%	-88,9%	-86,6%
16 Pernambuco	233.194	168.024	142.096	0,1%	38,8%	64,1%	5.110	15.195	6.901	0,01%	-66,4%	-26,0%
17 Amapá	125.835	170.164	97.818	0,04%	-26,1%	28,6%	0	0	0	0,0%	-	-
18 Rio Grande do Norte	95.398	36.903	0	0,03%	158,5%	-	0	0	0	0,0%	-	-
19 Espírito Santo	3.166	5.972	3.207	0,001%	-47,0%	-1,3%	29	63	30	0,0%	-54,0%	-3,3%
20 Acre	0	915.829	0	0,0%	-100,0%	-	0	257.769	0	0,0%	-100,0%	-
21 Maranhão	0	232.538	523.472	0,0%	-100,0%	-100,0%	0	91.755	140.261	0,0%	-100,0%	-100,0%
22 Rondônia	0	1.510.556	360.167	0,0%	-100,0%	-100,0%	0	469.904	68.432	0,0%	-100,0%	-100,0%
23 Sergipe	0	294.904	164.511	0,0%	-100,0%	-100,0%	0	98.078	45.262	0,0%	-100,0%	-100,0%
24 Tocantins	0	418.591	834.075	0,0%	-100,0%	-100,0%	0	105.278	186.278	0,0%	-100,0%	-100,0%
Total	319.306.376	276.717.296	327.827.135	100,0%	15,4%	-2,6%	45.627.766	46.563.250	49.445.103	100,0%	-2,0%	-7,7%

Source: MDIC/SECEX - Prepared by: CICB

