



BRAZILIAN EXPORTS OF HIDES AND SKINS

APRIL 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

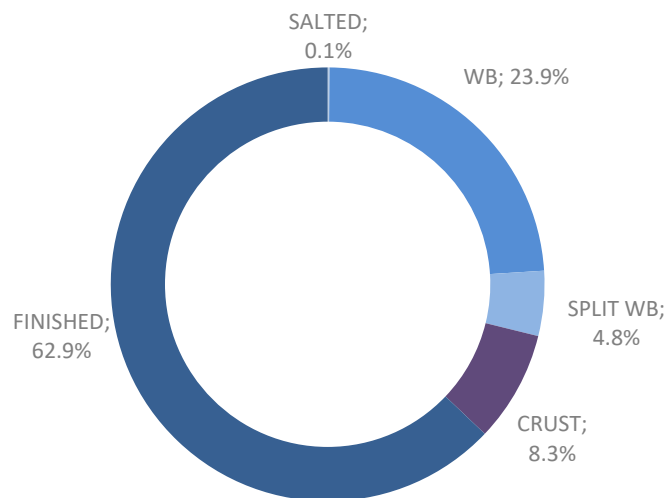
APRIL 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of April 2019, registered the amount of US\$ 102.2 million, down 25.4% year-on-year, when total exports were US\$ 137.0 million, and lower 14.1% compared to March, when amount was US\$ 119.0 million.

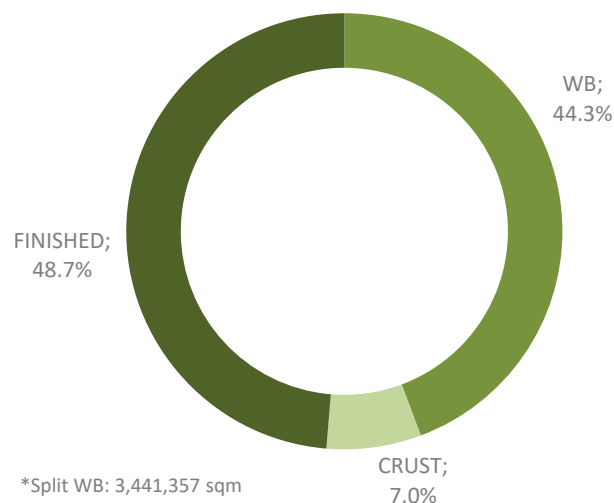
Considering exports in square meters, in April were shipped 15.2 million, 10.2% lower than same month of 2018, when total was 16.9 million. Considering the four months, exported area was 2.2% below 2018.

Profile of April 2019 exports is the following:

FOB VALUE US\$



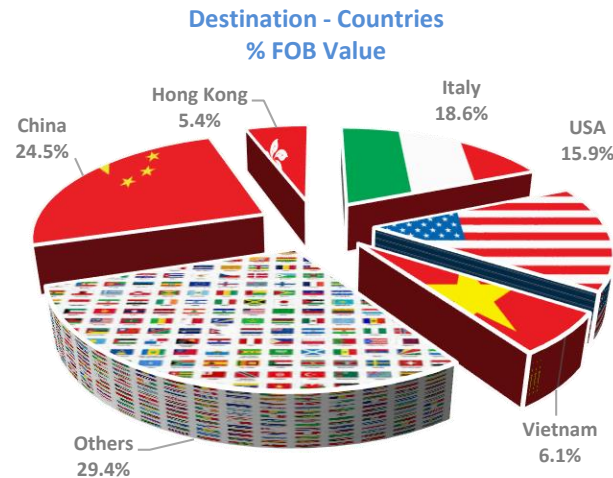
AREA sqm



Considering types of leather, these are the variations of the Brazilian exports of bovine hides, in the period 2018 to 2019, in the four months of the year:

- Salted increased 17.1% in value and 13.3% in weight;
- Wet Blue declined 26.9% in value, but were up 15.7% in area;
- Split WB declined 10.6% in value and 14.6% in area;
- Crust was lower 33.3% in value and 24.9% in area;
- Finished leather declined 21.3% in value and 6.9% in area.

Below are destinations of January to April 2019:

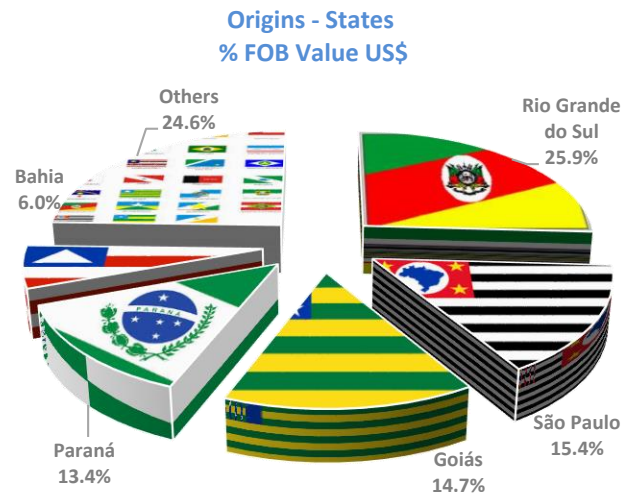


Below are some highlights of the results of some markets with relevant share in the exports of the sector, considering January to April:

- China, with share of 24.5%, grew 1.0% in trade area, however decreased 32.3% in value;
- Italy with share of 18.6%, grew by 0.2% in trade area, but down 14.3% considering value;
- USA with share of 15.9%, 15.2% down in area and also down 25.5% in value;

If we consider the other countries with relevant share and some of the target markets for the Brazilian Leather project, we highlight the growth of Hong Kong, with +50.0% in area but 5.5% down in value, Germany with +49.5 % in value and +87.5% in area, India with + 30.9% in value and +91.4% in area, South Korea with +24.8% in value and +64.8% in area and finally Spain, with +24.0% in value, but down 21.3% in area. Although still holding a small share of the total exported, France showed a significant accumulated growth in the four months of the year, with +496.8% in value and +546.0% in area.

Below origins of four months of 2019:



Considering the exporting states, in monetary terms, in the period until April 2019, we have the following:

- Decrease in value among all major exporting states, with a negative highlight for São Paulo and Bahia, with -34.7% and -36.7%, respectively;
- Paraná had the lowest accumulated drop among those with the largest share, with only -1.1% in value;
- Rio Grande do Sul, now with a 25.9% stake, remains the largest exporter, increasing the distance to São Paulo, which has a 15.4% share;
- Paraná is approaching Goiás to take third place. Goiás still ranks third with 14.7%, but Paraná closed the third month of the year with a 13.4% share. At the same time, the fall of São Paulo is greater than that of Goiás, therefore also with the possibility of losing the second position;
- One more state has joined Amazonas and Rondônia and started exports in 2019: Acre. States of Piauí, Rio de Janeiro, Tocantins and Sergipe are the only ones that show growth compared to same period of 2018.

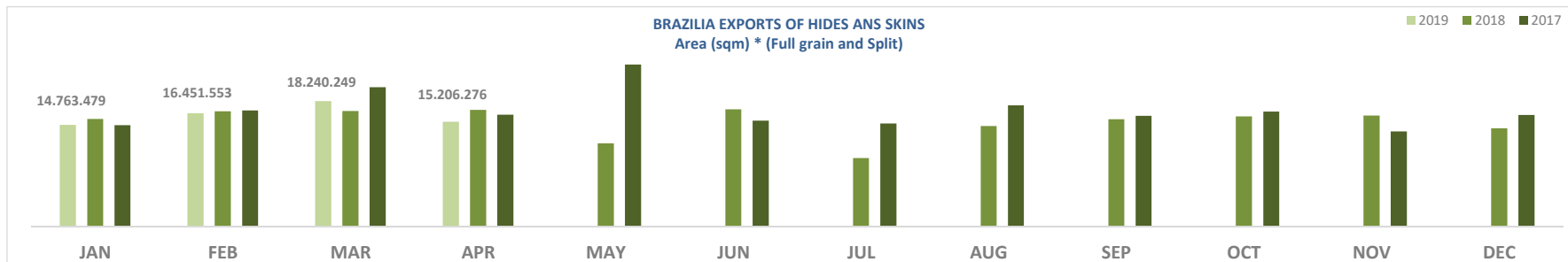
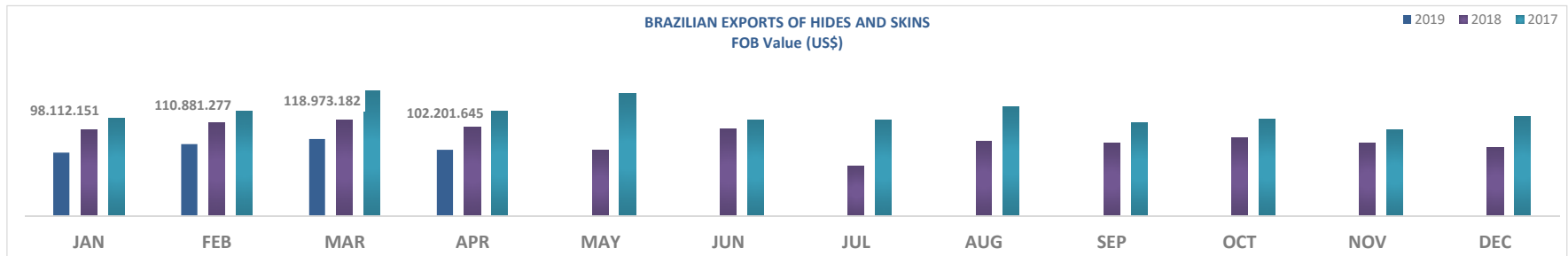
As a result, the four months of 2019 closed with a slight decline of 2.2% in the total area, showing a reduction of 23.4% in value. Devaluation of product prices still has market effects in Brazilian exports. Volume growth occurred in the Salted (weight) and Wet Blue (area) stages, with reductions in Split WB, Crust and Finished, in these cases both in value and in area. Only the Salted hides had growth in value in the 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	98.112.151	132.850.230	150.594.334	-7,3%	-26,1%	-34,9%	14.763.479	15.639.191	14.722.866	3,6%	-5,6%	0,3%
FEB	110.881.277	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	118.973.182	147.515.091	192.569.385	7,3%	-19,3%	-38,2%	18.240.249	16.782.906	20.239.371	10,9%	8,7%	-9,9%
APR	102.201.645	136.997.973	161.555.800	-14,1%	-25,4%	-36,7%	15.206.276	16.935.718	16.246.555	-16,6%	-10,2%	-6,4%
MAY		101.387.577	189.315.724					12.060.974	23.543.748			
JUN		134.092.549	148.251.832					17.040.148	15.371.874			
JUL		77.720.643	148.621.433					9.932.086	14.941.320			
AUG		115.907.135	168.323.058					14.602.510	17.618.510			
SEP		112.334.309	144.028.851					15.567.199	16.067.573			
OCT		120.776.754	149.290.587					15.996.995	16.695.816			
NOV		113.450.203	132.740.099					16.111.486	13.813.058			
DEC		105.893.140	153.081.851					14.245.187	16.183.081			
Total	430.168.255	1.442.967.182	1.899.502.493		-23,4%	-35,4%	64.661.557	181.657.877	202.317.149		-2,2%	-5,0%

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-Apr 2019	Jan-Apr 2018	Jan-Apr 2017	Share 19	2019/2018	Jan-Apr 2019	Jan-Apr 2018	Jan-Apr 2017	Share 19	2019/2018
1 China + Hong Kong	128.756.797	180.475.744	203.925.418	29,9%	-28,7%	24.165.109	23.087.137	20.595.956	5,6%	4,7%
China	105.389.068	155.761.007	173.978.815	24,5%	-32,3%	21.548.373	21.342.622	18.683.607	5,0%	1,0%
2 Italy	79.886.900	93.210.359	110.345.133	18,6%	-14,3%	13.904.296	13.878.443	12.229.003	3,2%	0,2%
3 United States	68.580.362	92.077.166	103.159.138	15,9%	-25,5%	5.651.735	6.664.575	6.535.313	1,3%	-15,2%
4 Vietnam	26.404.750	31.540.375	57.227.468	6,1%	-16,3%	4.904.920	5.524.163	12.833.139	1,1%	-11,2%
Hong Kong	23.367.729	24.714.737	29.946.603	5,4%	-5,5%	2.616.736	1.744.515	1.912.349	0,6%	50,0%
5 Germany	21.888.831	14.639.408	22.035.552	5,1%	49,5%	1.859.813	991.698	1.469.225	0,4%	87,5%
6 Thailand	13.522.835	21.073.741	24.625.069	3,1%	-35,8%	1.341.394	1.808.848	1.822.188	0,3%	-25,8%
7 Mexico	11.497.985	14.904.722	11.756.178	2,7%	-22,9%	906.037	1.074.154	681.601	0,2%	-15,7%
8 Taiwan	8.722.053	11.824.899	8.485.690	2,0%	-26,2%	3.188.697	3.661.144	1.916.126	0,7%	-12,9%
9 India	7.270.926	5.553.278	4.978.087	1,7%	30,9%	2.155.277	1.126.082	706.327	0,5%	91,4%
10 Hungary	6.910.054	26.933.735	38.446.158	1,6%	-74,3%	531.895	1.908.322	2.380.254	0,1%	-72,1%
11 Uruguay	5.720.163	6.985.463	4.678.639	1,3%	-18,1%	565.587	500.628	311.957	0,1%	13,0%
12 Indonesia	4.987.619	10.961.930	12.798.370	1,2%	-54,5%	463.692	821.175	996.693	0,1%	-43,5%
13 South Korea	4.840.215	3.878.638	14.088.569	1,1%	24,8%	720.126	436.922	1.176.954	0,2%	64,8%
14 Netherlands	4.138.785	4.949.283	5.869.751	1,0%	-16,4%	462.128	437.152	430.306	0,1%	5,7%
15 Malaysia	3.789.065	3.879.118	2.208.016	0,9%	-2,3%	301.725	262.495	134.255	0,1%	14,9%
16 Portugal	3.140.387	3.673.351	3.324.209	0,7%	-14,5%	447.873	413.281	349.825	0,1%	8,4%
17 Norway	2.950.400	5.909.653	7.285.116	0,7%	-50,1%	190.625	348.886	382.177	0,0%	-45,4%
18 France	2.378.751	398.568	331.509	0,6%	496,8%	101.627	15.732	23.932	0,0%	546,0%
19 Spain	2.182.056	1.760.081	1.881.549	0,5%	24,0%	485.184	616.379	777.055	0,1%	-21,3%
20 Tunisia	1.903.179	2.331.229	1.736.980	0,4%	-18,4%	108.549	116.661	102.217	0,0%	-7,0%
21 Canada	1.874.005	2.035.453	2.318.511	0,4%	-7,9%	106.701	116.667	121.605	0,0%	-8,5%
22 United Kingdom	1.792.596	1.421.604	1.699.116	0,4%	26,1%	222.942	138.234	215.817	0,1%	61,3%
23 Cambodia	1.462.112	645.478	301.995	0,3%	126,5%	167.333	359.749	87.249	0,0%	-53,5%
24 South Africa	1.287.950	2.886.562	6.901.865	0,3%	-55,4%	171.453	262.537	583.563	0,0%	-34,7%
25 Dominican Republic	1.212.803	2.161.040	2.786.511	0,3%	-43,9%	174.717	193.189	181.176	0,0%	-9,6%
26 Argentina	1.042.166	1.054.640	1.172.732	0,2%	-1,2%	78.971	89.043	75.307	0,0%	-11,3%
27 Australia	957.821	1.331.251	1.712.687	0,2%	-28,1%	69.169	73.989	98.281	0,0%	-6,5%
28 Japan	906.088	2.171.492	1.273.121	0,2%	-58,3%	90.824	237.539	113.873	0,0%	-61,8%
29 Paraguay	896.733	977.557	1.308.091	0,2%	-8,3%	159.829	131.557	163.325	0,0%	21,5%
30 Singapore	880.771	0	23.512	0,2%	-	157.733	0	582	0,0%	-
31 Other (2019: +42 countries)	8.383.097	9.759.054	7.164.318	1,9%	-14,1%	805.596	804.911	586.888	0,2%	0,1%
Total	430.168.255	561.404.872	665.849.058		-23,4%	64.661.557	66.101.292	68.082.169		-2,2%

Source: MDIC/SECEX - Prepared by: CICB

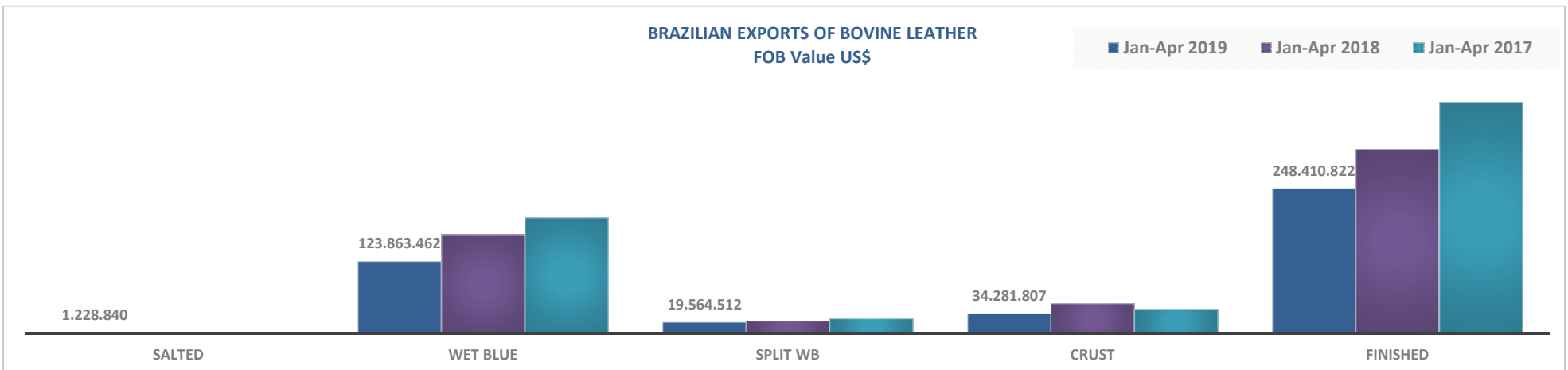
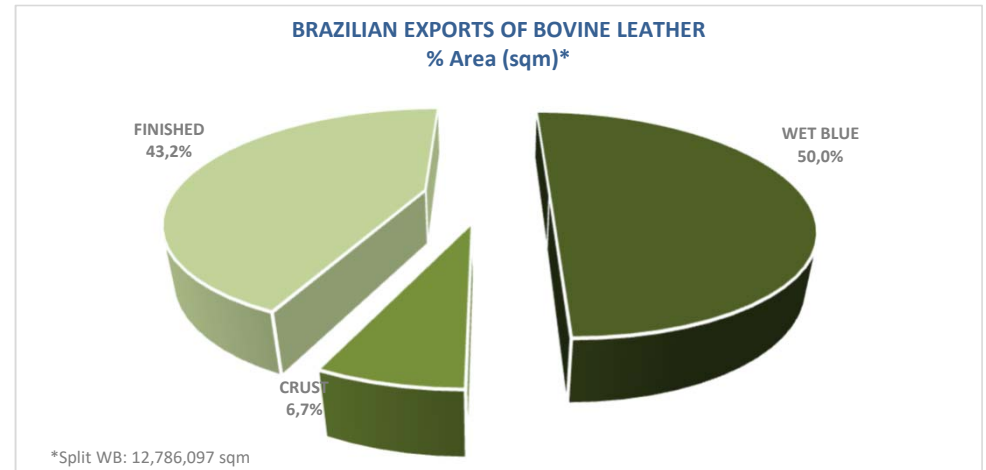
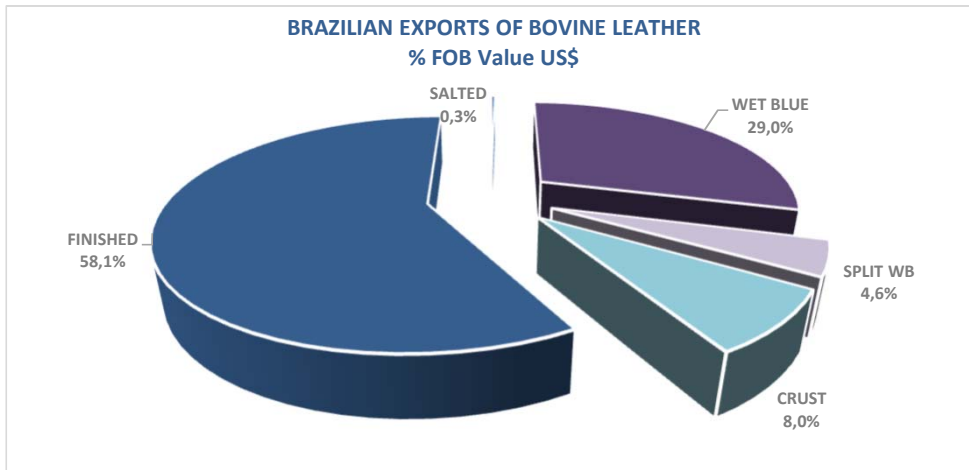
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Apr 2019	Jan-Apr 2018	Jan-Apr 2017	2019/2018	2019/2017	Jan-Apr 2019	Jan-Apr 2018	Jan-Apr 2017	2019/2018	2019/2017
SALTED	1.228.840	1.049.503	1.858.983	17,1%	-33,9%	-	-	-	-	-
WET BLUE	123.863.462	169.539.025	198.288.492	-26,9%	-37,5%	25.886.657	22.370.861	20.696.532	15,7%	25,1%
SPLIT WB	19.564.512	21.887.472	25.584.457	-10,6%	-23,5%	-	-	-	-	-
CRUST	34.281.807	51.365.842	41.860.898	-33,3%	-18,1%	3.484.905	4.639.202	3.120.266	-24,9%	11,7%
FINISHED	248.410.822	315.619.360	395.652.975	-21,3%	-37,2%	22.364.192	24.021.736	27.072.358	-6,9%	-17,4%
Total	427.349.443	559.461.202	663.245.805	-23,6%	-35,6%	51.735.754	51.031.799	50.889.156	1,4%	1,7%

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-Apr 2019	Jan-Apr 2018	Jan-Apr 2017		2019/2018	2019/2017	Jan-Apr 2019	Jan-Apr 2018	Jan-Apr 2017		2019/2018	2019/2017
1 Rio Grande do Sul	111.309.020	126.220.077	127.166.332	25,9%	-11,8%	-12,5%	13.651.951	13.519.680	12.352.262	21,1%	1,0%	10,5%
2 São Paulo	66.339.860	101.546.977	125.957.215	15,4%	-34,7%	-47,3%	8.607.542	11.225.128	12.582.505	13,3%	-23,3%	-31,6%
3 Goiás	63.399.806	86.182.366	105.042.533	14,7%	-26,4%	-39,6%	10.692.581	10.039.857	11.191.680	16,5%	6,5%	-4,5%
4 Paraná	57.742.789	58.366.683	80.282.660	13,4%	-1,1%	-28,1%	10.789.513	8.772.305	8.406.966	16,7%	23,0%	28,3%
5 Bahia	25.748.707	40.697.488	47.944.043	6,0%	-36,7%	-46,3%	3.420.961	5.023.250	4.613.071	5,3%	-31,9%	-25,8%
6 Mato Grosso do Sul	25.442.850	37.709.809	26.817.432	5,9%	-32,5%	-5,1%	5.234.177	5.129.503	3.174.636	8,1%	2,0%	64,9%
7 Santa Catarina	23.107.371	32.854.975	33.795.015	5,4%	-29,7%	-31,6%	3.185.615	3.449.032	3.124.487	4,9%	-7,6%	2,0%
8 Ceará	19.483.038	25.335.444	42.999.361	4,5%	-23,1%	-54,7%	2.156.740	2.196.825	4.300.954	3,3%	-1,8%	-49,9%
9 Minas Gerais	12.430.331	14.153.655	32.386.748	2,9%	-12,2%	-61,6%	2.188.620	2.152.517	4.184.138	3,4%	1,7%	-47,7%
10 Pará	11.168.759	20.681.813	18.914.480	2,6%	-46,0%	-41,0%	2.105.974	2.546.112	2.087.963	3,3%	-17,3%	0,9%
11 Mato Grosso	7.515.002	13.500.527	16.465.792	1,7%	-44,3%	-54,4%	1.465.844	1.633.940	1.377.696	2,3%	-10,3%	6,4%
12 Amazonas	1.441.592	0	0	0,3%	-	-	416.883	0	0	0,6%	-	-
13 Piauí	1.108.842	405.700	265.219	0,3%	173,3%	318,1%	101.763	36.851	31.056	0,2%	176,1%	227,7%
14 Rio de Janeiro	1.065.844	814.718	430.835	0,2%	30,8%	147,4%	52.594	32.981	1.950	0,1%	59,5%	2597,1%
15 Tocantins	989.926	665.288	3.305.031	0,2%	48,8%	-70,0%	215.204	88.814	343.429	0,3%	142,3%	-37,3%
16 Rondônia	580.255	0	0	0,1%	-	-	119.305	0	0	0,2%	-	-
17 Maranhão	527.071	678.151	1.010.060	0,1%	-22,3%	-47,8%	140.259	111.543	87.039	0,2%	25,7%	61,1%
18 Sergipe	280.011	202.789	1.087.446	0,1%	38,1%	-74,3%	80.183	39.092	82.979	0,1%	105,1%	-3,4%
19 Pernambuco	222.448	534.206	1.248.543	0,1%	-58,4%	-82,2%	16.818	47.152	113.291	0,0%	-64,3%	-85,2%
20 Amapá	133.002	155.144	380.571	0,0%	-14,3%	-65,1%	0	0	0	0,0%	-	-
21 Acre	128.524	0	0	0,0%	-	-	19.000	0	0	0,0%	-	-
22 Espírito Santo	3.207	6.845	6.498	0,0%	-53,1%	-50,6%	30	77	74	0,0%	-61,0%	-59,5%
23 Not Declared*	0	692.217	343.244	0,0%	-100,0%	-100,0%	0	56.633	25.993	0,0%	-100,0%	-100,0%
Total	430.168.255	561.404.872	665.849.058	100,0%	-23,4%	-35,4%	64.661.557	66.101.292	68.082.169	100,0%	-2,2%	-5,0%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

