



BRAZILIAN EXPORTS OF HIDES AND SKINS

FEBRUARY 2021

SUMMARY

PAGE

1	ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS.....	3
2	BRAZILIAN EXPORTS OF HIDES AND SKINS - CHAPTER CODE 41.....	6
3	DESTINATION OF BRAZILIAN EXPORTS HIDES AND SKINS.....	7
4	BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE.....	8
5	BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE.....	9

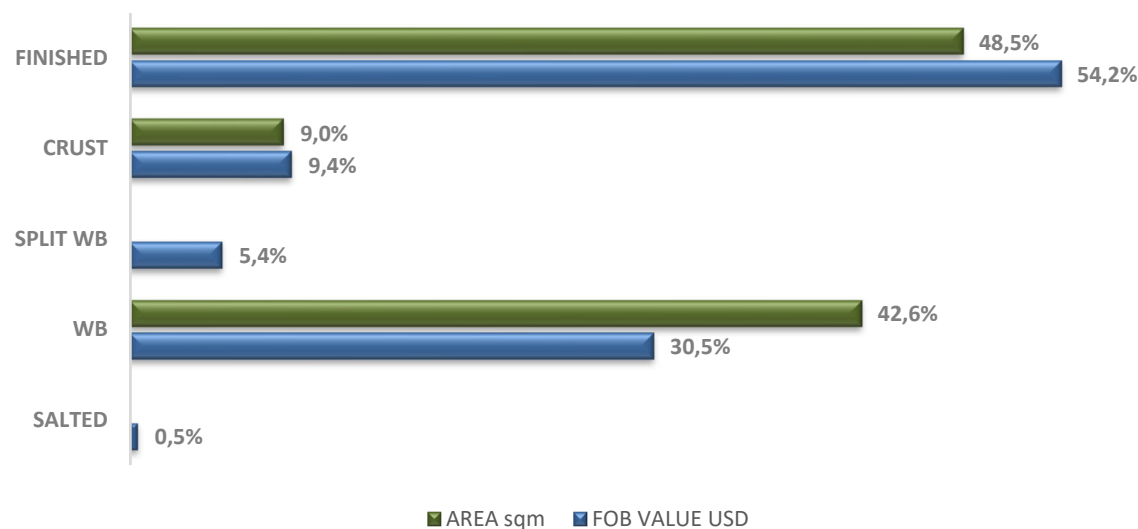
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

FEBRUARY 2021

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of February 2021, amounted to US\$ 109.5 million, an increase of 11.7% year-on-year, when US\$ 98.1 million worth was exported. Also, reflects a figure 12.0% higher than January, when total was US\$ 97.8 million.

Considering exports in square meters, during February were shipped 15.7 million, 2.4% lower year-on-year, however up 6.1% compared to the previous month, when total was 14.8 million.

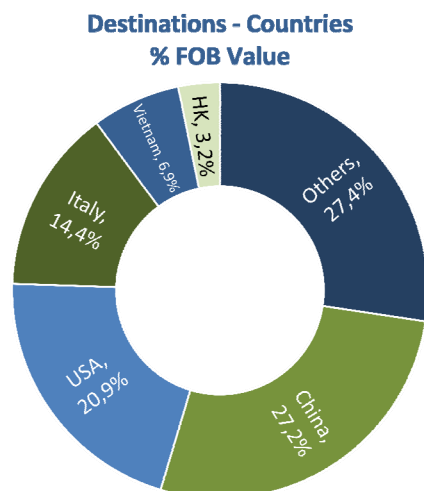
Below is the profile of 2021's bovine exports:



These are the variations of the Brazilian exports of bovine leather during first two months of 2021, year-on-year:

- Salted hides higher 134.7% (previous +199.8%) in value, and also +40.4% (previous +69.2%) in weight;
- Wet Blue increasing 46.7% (+46.5%) in value, but -10.7% (-9.4%) in area;
- Split WB now higher 2.8% (-0.1%) in value and 7.4% (+7.3%) in area;
- Crust now increasing 4.7% (-2.7%) and also 0.2% (-4.6%) in area;
- Finished leather higher 5.5% (+13.2%) in value and 3.7% (+9.9%) in area.

Below are the 2021 destinations:



Some highlights of results for first two months of 2021 of the three main destinations for Brazilian leather:

- China (without HK) returned to the first position, with share of 27.2% (previous 22.6%) in value and 32.8% (previous 27.9%) in area, with a monetary increase of 22.2% (-0.6%), but still down 2.5% (-19.4%) in volume;
- Italy, with share of 20.9% (24.7%) in value and 21.2 (26.0%) in area, is showing now an increase of 61.3% (+81.2%) in value, and also +11.4% (+27.2%) in volume;
- United States, with a share of 14.4% (14.1%) in value and 8.7% (8.6%) in area, shows a monetary drop of 16.4% (-1.2%) and also a decrease of 20.1% (-3.1%) in volume.

Concern about China's volumes, which in January fell 19.4% y-o-y, is now turned to the United States. Americans showed relative stability in purchases of Brazilian Leather in January, with -1.2% in value and -3.1% in volume. However, in February the falls accumulated to two digits both in value (-16.4%) and in area (-20.1%). The positive news comes from China, with a recovery of the first position in the ranking and expressive growth of more than 22% in value, in addition to the improvement in volumes compared to the January indexes.

As an analysis of other countries considered important players for the Brazilian leather, we highlight the following: Vietnam, in 4th place in the ranking (6.9% value share), had an increase of 47.2% (+95.5%) in value, and also 13.5% (+47.2%) in volume; Germany, with share of 4.0% in value, shows a drop of 1.7% (-2.1%) in value and 7.0% (-8.7%) in area; and Thailand, keeping 6th place, with value growth of 46.7% (+36.4%) and also in area of 46.6% (+32.9%). Among the TOP30 destinations, the highest growth of first two months was with Spain, with +360.1% in value and +664.1% in area.

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

Origins - States
% FOB value USD

Rio Grande do Sul, 28,3%	Others, 21,9%	Paraná, 14,4%	São Paulo, 14,3%	Goiás, 14,0%	Mato Grosso do Sul, 7,2%
---------------------------------	----------------------	----------------------	-------------------------	---------------------	---------------------------------

Some highlights considering exporting states:

- Among the TOP10, only Santa Catarina had reductions in values in the first two months compared to 2020, with -20.5%. Among the growths, we can highlight: Ceará (+48.9%), Minas Gerais (+39.8%), and Mato Grosso do Sul (+35.7%);
- When considering volumes, half of the states had falls, where the most significant were in Pará (-31.3%), Santa Catarina (-20.2%), and Mato Grosso do Sul (-18.9%). The highest growth in traded area, now among all states, was Piauí, with +290.7%;
- Among the four largest, only Rio Grande do Sul maintained its position in the ranking. Now Paraná is in second place, with 14.4% share, followed by São Paulo (14.3%) and Goiás (14.0%). Considering volumes, Rio Grande do Sul and Paraná maintained their positions, of leader and vice-leader, however São Paulo now surpass Goiás and it is the third;
- Now the positions of the four states in the ranking of value and volume are the same, a fact that happens for the first time.

Unlike in January, when there was a drop in value compared to December/20, in February growth was also recorded over the previous month (+12.0%), in addition to the increase over the same month last year (+11.7%). In terms of volume, there was a decrease compared to February/20, showing that the price recovery is consolidated in the annual comparison. The daily average of February exports was even better, with growth of 24.4%, as February had only 18 working days, against 20 days in January.

Regarding the markets, China's recovery was the most important event this month. The drop in volume presented in January, from -19.4%, now stands at -2.5%, with an increase of 22.2% in value. Italy maintains a significant pace of purchases, with double-digit growth in value and volume. The concern turns to the Americas, with persistent declines and in negative rhythms of the United States and Mexico, two markets important for the national sector.

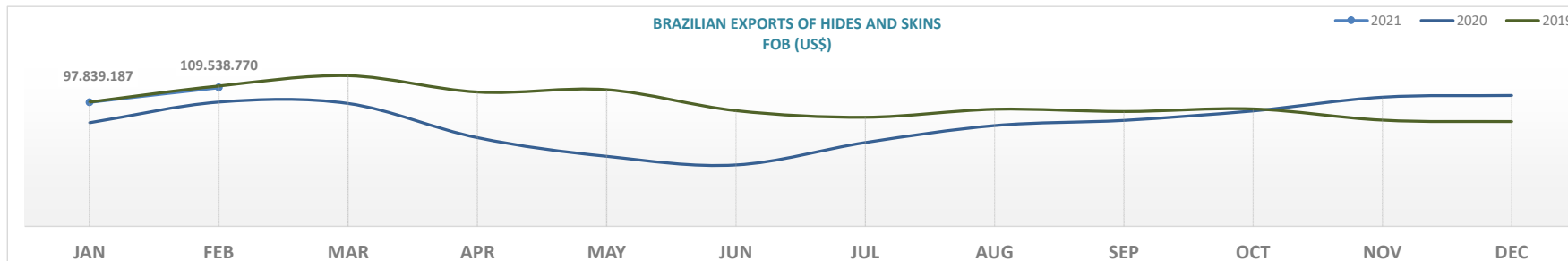
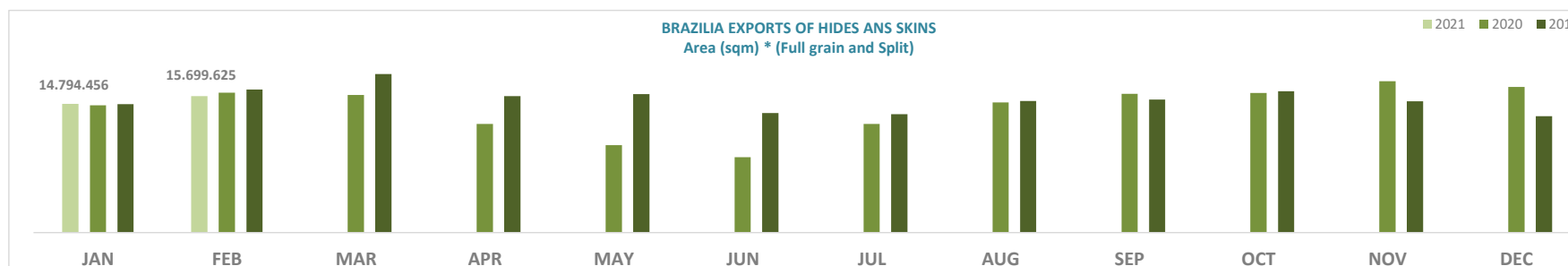
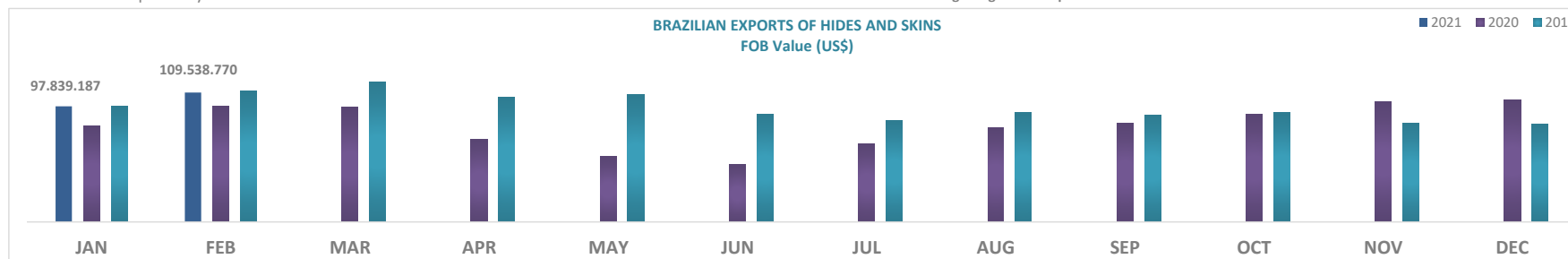
Among the types of leather, finished products continue to have positive indexes in value and volume, even if lower than the result for January. Crust, which previously showed a negative scenario, has now also improved and shows growth in both aspects. It is important to highlight that the first two months of 2020 still did not have the reflexes of the pandemic, so we are comparing it with a base still stable of values. The abnormal situation started in April and continued until the end of the third quarter of 2020 for exports, so that the next few months will be very important for the sector to show that the pace of sales at the beginning of the year may in fact be a resumption, leaving behind challenges that had a negative impact on many companies. –

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	97.839.187	81.668.819	98.084.385	-5,3%	19,8%	-0,2%	14.794.456	14.641.331	14.761.798	-11,8%	1,0%	0,2%
FEB	109.538.770	98.050.500	110.865.937	12,0%	11,7%	-1,2%	15.699.625	16.093.909	16.450.463	6,1%	-2,4%	-4,6%
MAR		96.997.872	118.876.746					15.827.940	18.232.700			
APR		69.882.244	105.935.839					12.510.467	15.685.661			
MAY		55.183.984	107.847.382					10.065.058	15.914.498			
JUN		48.359.633	91.317.919					8.673.398	13.741.104			
JUL		66.205.148	86.133.297					12.498.924	13.605.791			
AUG		79.465.050	92.351.955					14.965.252	15.124.597			
SEP		83.687.375	90.587.484					15.976.269	15.293.740			
OCT		91.164.600	92.618.708					16.060.994	16.274.932			
NOV		102.004.564	83.767.663					17.398.468	15.092.702			
DEC		103.329.742	82.617.316					16.769.721	13.371.975			
Total	207.377.957	975.999.531	1.161.004.631		15,4%	-0,8%	30.494.081	171.481.731	183.549.961		-0,8%	-2,3%

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-Feb 2021	Jan-Feb 2020	Jan-Feb 2019	Share 21	2021/2020	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019	Share 21	2021/2020
1 China + Hong Kong	63.155.815	54.533.105	62.323.578	30,5%	15,8%	10.973.139	12.259.109	12.071.283	36,0%	-10,5%
China	56.441.564	46.181.522	52.234.587	27,22%	22,2%	10.000.104	10.255.909	10.989.239	32,8%	-2,5%
2 Italy	43.339.246	26.872.567	37.162.527	20,90%	61,3%	6.478.094	5.813.556	6.406.481	21,2%	11,4%
3 United States	29.810.209	35.661.035	34.573.049	14,37%	-16,4%	2.643.803	3.307.270	2.852.433	8,7%	-20,1%
4 Vietnam	14.272.834	9.693.065	11.377.689	6,9%	47,2%	2.975.474	2.622.336	2.096.189	9,8%	13,5%
5 Germany	8.384.517	8.532.542	10.594.789	4,0%	-1,7%	788.306	848.072	881.486	2,6%	-7,0%
6 Thailand	7.261.129	4.950.828	7.070.214	3,5%	46,7%	757.316	516.508	709.575	2,5%	46,6%
Hong Kong	6.714.251	8.351.583	10.088.991	3,24%	-19,6%	973.035	2.003.200	1.082.044	3,2%	-51,4%
7 Mexico	5.977.687	8.601.284	5.125.232	2,9%	-30,5%	417.715	735.024	382.768	1,4%	-43,2%
8 Hungary	5.136.891	4.182.761	3.465.243	2,5%	22,8%	427.924	356.147	263.899	1,4%	20,2%
9 Taiwan	2.899.013	2.780.662	4.217.766	1,4%	4,3%	1.278.138	936.423	1.425.420	4,2%	36,5%
10 South Korea	2.625.209	2.389.990	2.273.277	1,3%	9,8%	272.386	381.202	339.083	0,9%	-28,5%
11 Indonesia	2.117.462	2.188.829	2.880.918	1,0%	-3,3%	295.672	255.213	261.540	1,0%	15,9%
12 India	1.926.716	2.387.194	3.186.139	0,9%	-19,3%	358.727	789.494	976.327	1,2%	-54,6%
13 Norway	1.887.422	1.098.173	1.607.537	0,9%	71,9%	140.137	81.101	101.065	0,5%	72,8%
14 Netherlands	1.811.256	1.095.900	2.009.006	0,9%	65,3%	191.972	132.022	232.539	0,6%	45,4%
15 Tunisia	1.692.260	1.435.246	970.911	0,8%	17,9%	108.719	91.980	50.073	0,4%	18,2%
16 Uruguay	1.607.173	1.013.784	3.804.029	0,8%	58,5%	291.387	127.511	373.290	1,0%	128,5%
17 Spain	1.528.469	332.179	1.166.931	0,7%	360,1%	631.932	82.703	249.494	2,1%	664,1%
18 Malaysia	1.351.998	1.265.821	2.497.482	0,7%	6,8%	113.987	96.091	192.745	0,4%	18,6%
19 Macau	1.210.231	562.349	0	0,6%	115,2%	179.457	114.236	0	0,6%	57,1%
20 Portugal	976.822	995.667	1.262.751	0,5%	-1,9%	136.688	127.182	213.246	0,4%	7,5%
21 Argentina	817.755	424.888	530.767	0,4%	92,5%	84.731	52.937	34.907	0,3%	60,1%
22 Poland	811.908	738.181	33.298	0,4%	10,0%	91.804	83.887	2.301	0,3%	9,4%
23 Canada	733.184	730.904	906.186	0,4%	0,3%	50.736	51.971	54.026	0,2%	-2,4%
24 South Africa	610.169	821.716	653.768	0,3%	-25,7%	58.333	147.264	80.421	0,2%	-60,4%
25 Dominican Republic	556.408	504.975	659.832	0,3%	10,2%	71.608	92.550	97.049	0,2%	-22,6%
26 Chile	521.467	304.143	435.584	0,3%	71,5%	80.180	38.668	40.763	0,3%	107,4%
27 Switzerland	476.877	0	0	0,2%	-	202.583	0	0	0,7%	-
28 United Kingdom	429.899	659.260	812.559	0,2%	-34,8%	37.759	60.922	130.860	0,1%	-38,0%
29 Paraguay	343.395	540.801	345.832	0,2%	-36,5%	79.822	94.303	58.705	0,3%	-15,4%
30 Lithuania	307.266	646.477	332.813	0,1%	-52,5%	18.159	42.330	22.214	0,1%	-57,1%
Others (2021: +23 countries)	2.797.270	3.774.993	6.670.615	1,3%	-25,9%	257.393	397.228	612.079	0,8%	-35,2%
Total	207.377.957	179.719.319	208.950.322		15,4%	30.494.081	30.735.240	31.212.261		-0,8%

Source: MDIC/SECEX - Prepared by: CICB

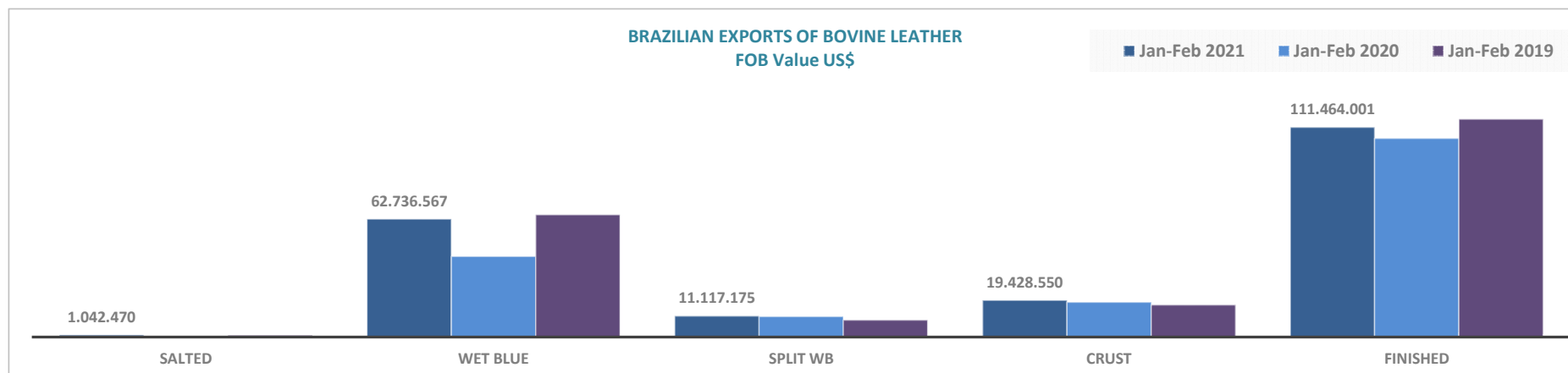
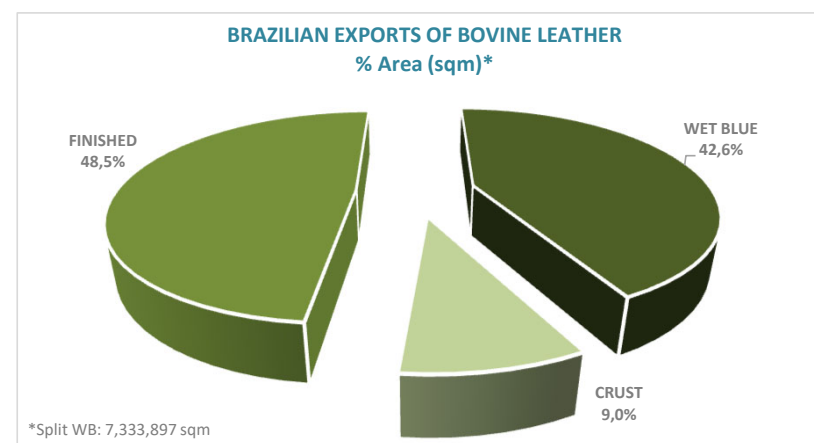
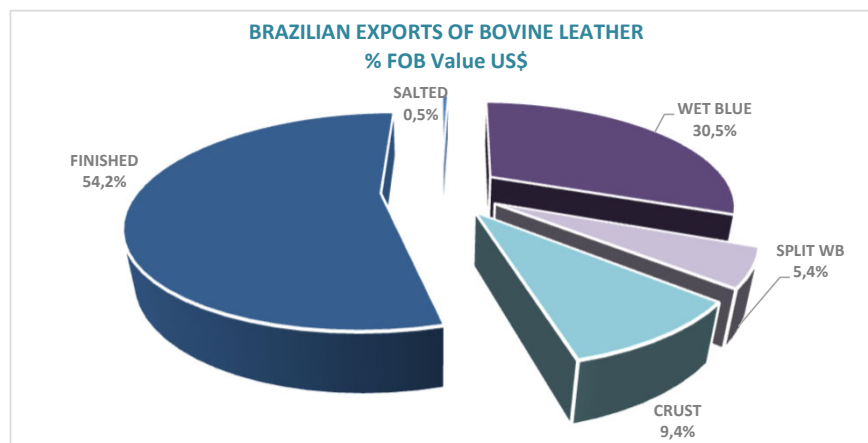
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ		WEIGHT (KG)			Δ	
	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019	2021/2020	2021/2019	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019	2021/2020	2021/2019	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019	2021/2020	2021/2019
SALTED	1.042.470	444.248	913.096	134,7%	14,2%	-	-	-	-	-	1.803.022	1.283.892	1.128.084	40,4%	59,8%
WET BLUE	62.736.567	42.750.919	64.972.941	46,7%	-3,4%	9.822.779	10.996.690	13.488.104	-10,7%	-27,2%	41.749.373	47.592.664	56.112.025	-12,3%	-25,6%
SPLIT WB	11.117.175	10.811.418	8.960.989	2,8%	24,1%	-	-	-	-	-	20.833.380	20.297.007	16.534.888	2,6%	26,0%
CRUST	19.428.550	18.554.465	16.982.208	4,7%	14,4%	2.069.973	2.066.572	1.720.612	0,2%	20,3%	1.946.717	1.893.683	1.709.730	2,8%	13,9%
FINISHED	111.464.001	105.616.558	115.726.656	5,5%	-3,7%	11.181.675	10.780.279	10.376.955	3,7%	7,8%	9.762.140	9.380.673	9.697.239	4,1%	0,7%
Total	205.788.763	178.177.608	207.555.890	15,5%	-0,9%	23.074.427	23.843.541	25.585.671	-3,2%	-9,8%	76.094.632	80.447.919	85.181.966	-5,4%	-10,7%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share 2021	Δ		AREA* (sqm)			Share 2021	Δ	
	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019		2021/2020	2021/2019	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2019		2021/2020	2021/2019
1 Rio Grande do Sul	58.690.855	47.039.466	54.371.026	28,3%	24,8%	7,9%	8.269.079	6.420.546	6.878.062	27,1%	28,8%	20,2%
2 Paraná	29.833.706	28.736.884	29.090.148	14,4%	3,8%	2,6%	4.619.213	5.493.062	5.085.016	15,1%	-15,9%	-9,2%
3 São Paulo	29.569.443	26.452.398	33.810.470	14,3%	11,8%	-12,5%	4.300.580	3.945.670	4.424.546	14,1%	9,0%	-2,8%
4 Goiás	28.975.812	23.810.617	31.312.765	14,0%	21,7%	-7,5%	4.197.662	4.098.811	5.295.013	13,8%	2,4%	-20,7%
5 Mato Grosso do Sul	14.972.374	11.036.599	12.826.499	7,2%	35,7%	16,7%	2.318.286	2.858.406	2.551.189	7,6%	-18,9%	-9,1%
6 Bahia	10.214.820	9.942.609	10.480.791	4,9%	2,7%	-2,5%	1.740.791	2.025.733	1.400.466	5,7%	-14,1%	24,3%
7 Ceará	8.956.180	6.014.390	9.580.421	4,3%	48,9%	-6,5%	846.957	624.462	990.151	2,8%	35,6%	-14,5%
8 Minas Gerais	8.312.588	5.947.128	5.163.111	4,0%	39,8%	61,0%	1.609.990	1.127.737	981.242	5,3%	42,8%	64,1%
9 Santa Catarina	7.420.296	9.328.953	10.851.897	3,6%	-20,5%	-31,6%	1.162.390	1.456.060	1.441.913	3,8%	-20,2%	-19,4%
10 Pará	6.278.791	5.303.364	5.842.531	3,0%	18,4%	7,5%	905.334	1.317.323	1.058.250	3,0%	-31,3%	-14,4%
11 Mato Grosso	2.236.103	2.612.707	2.747.579	1,1%	-14,4%	-18,6%	369.517	604.957	512.408	1,2%	-38,9%	-27,9%
12 Piauí	624.472	282.369	605.296	0,3%	121,2%	3,2%	57.410	14.694	62.337	0,2%	290,7%	-7,9%
13 Rio de Janeiro	376.794	772.129	504.207	0,2%	-51,2%	-25,3%	3.933	7.720	35.002	0,01%	-49,1%	-88,8%
14 Distrito Federal	307.067	0	0	0,1%	-	-	46.126	0	0	0,2%	-	-
15 Amazonas	264.958	293.587	777.111	0,1%	-9,8%	-65,9%	43.117	98.503	259.888	0,1%	-56,2%	-83,4%
16 Pernambuco	158.145	66.348	24.688	0,1%	138,4%	540,6%	3.676	6.362	1.383	0,0%	-42,2%	165,8%
17 Rio Grande do Norte	95.397	36.903	0	0,0%	158,5%	-	0	0	0	0,00%	-	-
18 Amapá	88.018	98.894	43.948	0,04%	-11,0%	100,3%	0	0	0	0,0%	-	-
19 Espírito Santo	2.138	3.835	3.207	0,0%	-44,3%	-33,3%	20	43	30	0,0%	-53,5%	-33,3%
20 Acre	0	606.421	0	0,0%	-100,0%	-	0	172.497	0	0,0%	-100,0%	-
21 Maranhão	0	230.429	404.737	0,0%	-100,0%	-100,0%	0	91.754	108.262	0,0%	-100,0%	-100,0%
22 Rondônia	0	681.718	0	0,00%	-100,0%	-	0	262.902	0	0,0%	-100,0%	-
23 Sergipe	0	168.438	164.511	0,00%	-100,0%	-100,0%	0	48.943	45.263	0,0%	-100,0%	-100,0%
24 Tocantins	0	253.133	345.379	0,000%	-100,0%	-100,0%	0	59.055	81.840	0,0%	-100,0%	-100,0%
Total	207.377.957	179.719.319	208.950.322	100,0%	15,4%	-0,8%	30.494.081	30.735.240	31.212.261	100,0%	-0,8%	-2,3%

Source: MDIC/SECEX - Prepared by: CICB

