



BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2019

SUMMARY

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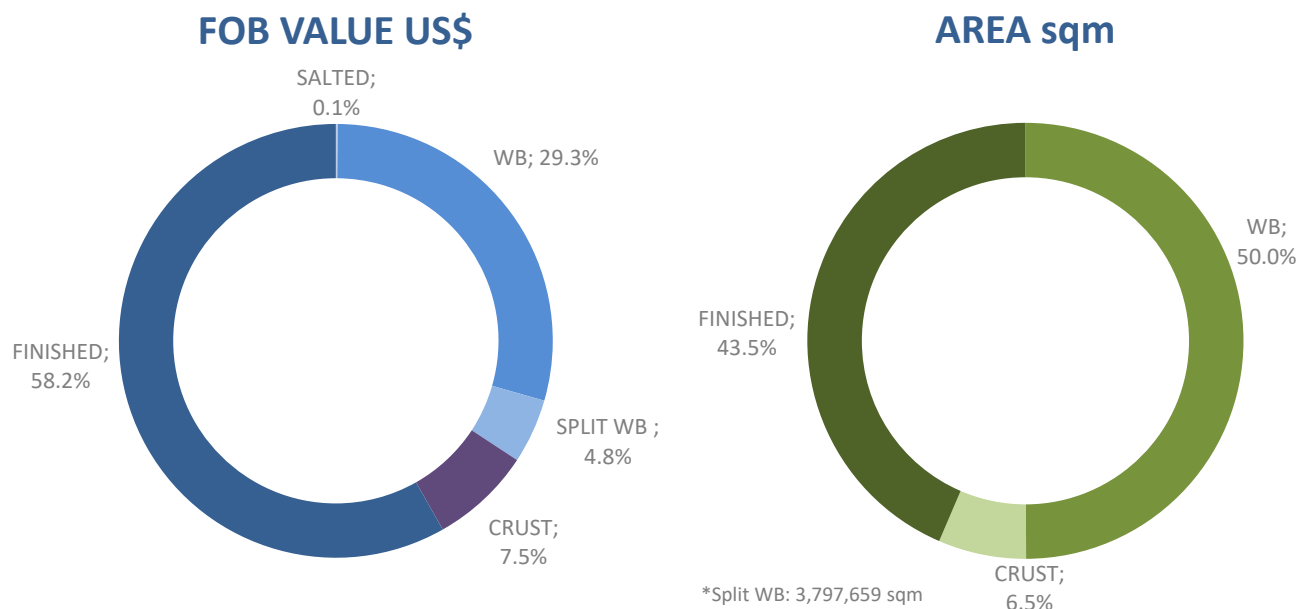
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of March 2019, registered the amount of US\$ 119.0 million, down 19.3% compared to the same month last year, when total exports were US\$ 147.5 million, however higher 7.3% compared to February, when amount was US\$ 110.9 million.

Considering exports in square meters, in march were shipped 18.2 million, 8.7% higher than March 2018, when total was 16.8 million. Considering the 1Q, exported area was 0.6% above 2018.

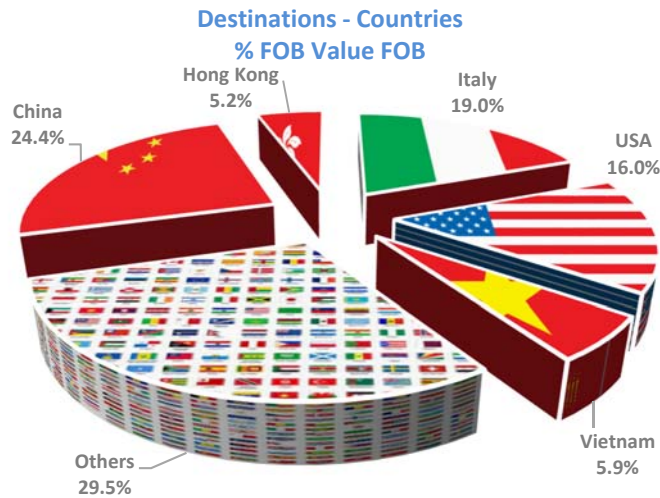
Profile of March 2019 exports is the following:



Considering types of leather, these are the variations of the Brazilian exports of bovine hides, in the period 2018 to 2019, in the first quarter:

- Salted with an increase of 61.6% in value and 35.5% in weight;
- Wet Blue with a reduction of 24.9% in value, but an increase of 19.4% in area;
- Split WB with a reduction of 4.9% in value and 10.6% in area;
- Crust lower 31,1% in value and 21.5% in area;
- Finished lower 21.9% in value and 7.2% in area.

Below are destinations for the first three months of 2019:



Below are some highlights of the quarterly results of some markets with relevant share in the exports of the sector:

- China, with share of 24.4%, had practically stable trade area, with small reduction of 0.2%, but higher decrease of 36.3% in value;
- Italy with share of 19.0%, grew by 5.5% in trade area, lower 7.7% considering value;
- USA with share of 16.0%, 10.3% reduction in area and 22.3% 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 + 4.2% in value and + 61.3% in area, Germany with +40.8 % in value and + 75.5% in area, India with + 30.8% in value and + 93.7% in area, South Korea, with + 19.3% in value and + 83.9% in area and finally Spain, with + 28.0% in value, but a reduction of 18.7% in area, showing export growth with higher added value leather for this destination. Although still holding a small share of the total exported, France showed a significant accumulated growth in the first quarter, with + 647.5% in value and + 660.4% in area.

Below destinations of 1Q 2019:



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

- Decrease in value among all major exporting states, with a negative highlight for São Paulo and Goiás, with 33.9% and 25.6%, respectively;
- Paraná had the lowest accumulated drop among those with the largest share, with only -2.9% in value;
- Rio Grande do Sul, now with a 25.5% 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 14.6%, but Paraná closed the third month of the year with a 13.8% 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;
- Two states started exporting in 2019: Amazonas, with 0.3% share, and Rondônia, with 0.1%. Tocantins and Piauí are the only ones that show growth, with + 119.4% and + 136.5%, respectively.

As a result, the first quarter of 2019 closed with a growth of 0.6% in the total area and a 22.7% reduction in value, clearly showing that the devaluation of product prices in recent years still has market effects. 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.

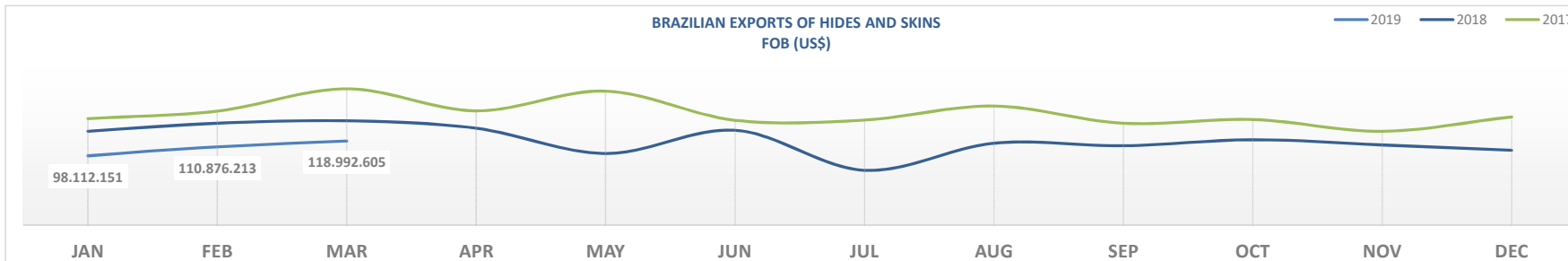
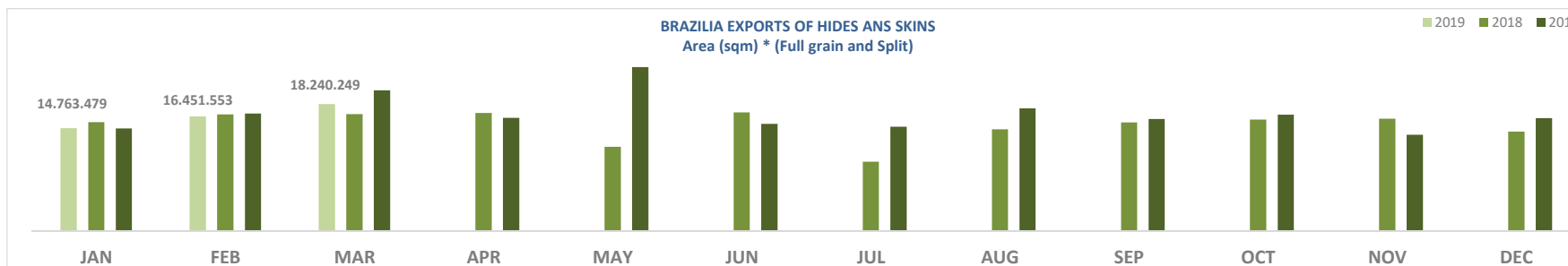
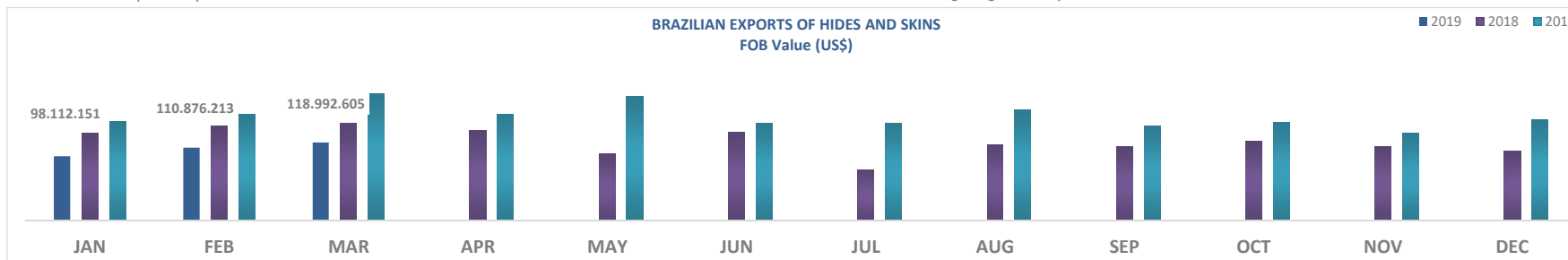
Rio Grande do Sul continues in the lead among the largest exporting states, followed by São Paulo and Goiás, but now with Paraná close to third place. With the state of Rio Grande do Sul increasing its share, it is clear that higher value-added products continue to be the best solution for maintaining markets and prices, in this state that has most of the production of leathers in the final stages.

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	14.722.853	3,6%	-5,6%	0,3%
FEB	110.876.213	144.041.578	161.129.539	13,0%	-23,0%	-31,2%	16.451.553	16.743.477	16.873.366	11,4%	-1,7%	-2,5%
MAR	118.992.605	147.515.091	192.569.385	7,3%	-19,3%	-38,2%	18.240.249	16.782.906	20.216.317	10,9%	8,7%	-9,8%
APR		136.997.973	161.555.800					16.935.718	16.246.553			
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	327.980.969	1.442.967.182	1.899.502.493		-22,7%	-35,0%	49.455.281	181.657.877	202.294.069		0,6%	-4,5%

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-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	Share 19	2019/2018	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	Share 19	2019/2018
1 China + Hong Kong	97.078.406	141.888.908	157.292.153	29,6%	-31,6%	18.499.606	17.798.304	15.753.697	5,6%	3,9%
China	79.882.860	125.391.408	134.650.188	24,4%	-36,3%	16.584.807	16.610.911	14.315.894	5,1%	-0,2%
2 Italy	62.448.290	67.294.526	82.584.288	19,0%	-7,2%	10.798.841	10.235.986	9.278.522	3,3%	5,5%
3 United States	52.338.421	67.365.236	77.346.739	16,0%	-22,3%	4.363.361	4.865.740	4.907.515	1,3%	-10,3%
4 Vietnam	19.217.860	23.676.610	43.616.047	5,9%	-18,8%	3.376.022	3.887.527	9.720.598	1,0%	-13,2%
Hong Kong	17.195.546	16.497.500	22.641.965	5,2%	4,2%	1.914.799	1.187.393	1.437.803	0,6%	61,3%
5 Germany	16.962.689	12.047.346	16.835.296	5,2%	40,8%	1.446.619	824.411	1.125.157	0,4%	75,5%
6 Thailand	11.060.197	16.749.167	18.062.482	3,4%	-34,0%	1.107.065	1.428.320	1.355.978	0,3%	-22,5%
7 Mexico	8.003.427	10.134.040	8.213.053	2,4%	-21,0%	618.563	726.868	486.257	0,2%	-14,9%
8 Taiwan	6.925.313	8.677.039	6.628.762	2,1%	-20,2%	2.558.738	2.432.351	1.608.292	0,8%	5,2%
9 India	5.407.995	4.134.570	3.997.832	1,6%	30,8%	1.637.343	845.547	555.265	0,5%	93,7%
10 Hungary	4.906.882	21.178.685	31.748.554	1,5%	-76,8%	371.303	1.488.009	1.964.391	0,1%	-75,0%
11 Uruguay	4.719.936	5.044.096	4.062.452	1,4%	-6,4%	476.612	366.072	272.083	0,1%	30,2%
12 Indonesia	4.105.436	8.877.768	9.451.339	1,3%	-53,8%	369.031	661.092	732.039	0,1%	-44,2%
13 South Korea	3.459.109	2.899.986	9.292.389	1,1%	19,3%	534.774	290.750	770.113	0,2%	83,9%
14 Malaysia	3.313.795	2.659.009	1.686.815	1,0%	24,6%	258.223	181.005	103.904	0,1%	42,7%
15 Netherlands	2.918.225	3.445.898	3.734.067	0,9%	-15,3%	327.030	301.569	281.706	0,1%	8,4%
16 Norway	2.305.257	4.491.106	5.219.326	0,7%	-48,7%	147.230	262.675	274.971	0,0%	-43,9%
17 Portugal	2.152.849	2.899.479	2.500.722	0,7%	-25,8%	338.588	338.691	276.501	0,1%	0,0%
18 Spain	1.794.382	1.401.748	1.657.098	0,5%	28,0%	411.437	506.341	671.789	0,1%	-18,7%
19 France	1.761.176	235.481	326.288	0,5%	647,9%	72.759	9.568	23.647	0,0%	660,4%
20 Tunisia	1.662.725	1.758.707	1.354.882	0,5%	-5,5%	92.299	87.921	81.073	0,0%	5,0%
21 Canada	1.340.208	1.357.405	1.590.374	0,4%	-1,3%	77.077	77.036	80.438	0,0%	0,1%
22 United Kingdom	1.327.756	990.764	1.360.643	0,4%	34,0%	184.730	96.932	194.782	0,1%	90,6%
23 Cambodia	1.160.808	458.271	150.212	0,4%	153,3%	135.025	231.034	30.819	0,0%	-41,6%
24 Dominican Republic	1.060.678	1.642.289	1.551.347	0,3%	-35,4%	155.560	146.221	97.512	0,0%	6,4%
25 Argentina	916.511	693.165	717.914	0,3%	32,2%	62.211	54.533	43.987	0,0%	14,1%
26 South Africa	909.403	1.709.214	5.076.110	0,3%	-46,8%	119.871	152.263	441.027	0,0%	-21,3%
27 Singapore	880.771	0	23.512	0,3%	-	157.733	0	582	0,0%	-
28 Australia	790.302	1.134.725	1.099.457	0,2%	-30,4%	57.473	62.399	65.704	0,0%	-7,9%
29 Japan	744.840	1.172.112	1.000.397	0,2%	-36,5%	70.515	111.797	93.747	0,0%	-36,9%
30 Denmark	699.715	910.454	220.677	0,2%	-23,1%	47.814	55.981	12.300	0,0%	-14,6%
31 Chile	596.898	741.768	670.915	0,2%	-19,5%	61.143	52.946	57.058	0,0%	15,5%
32 Turkey	581.411	964.722	635.507	0,2%	-39,7%	105.219	143.400	86.482	0,0%	-26,6%
33 Paraguay	537.008	772.836	1.058.143	0,2%	-30,5%	93.269	103.288	133.820	0,0%	-9,7%
34 Philippines	400.962	490.274	225.115	0,1%	-18,2%	47.868	21.263	8.025	0,0%	125,1%
35 Benin	373.127	0	0	0,1%	-	0	0	0	0,0%	-
36 Lithuania	348.771	524.829	382.460	0,1%	-33,5%	23.588	28.742	24.104	0,0%	-17,9%
37 Saudi Arabia	325.437	0	0	0,1%	-	41.570	0	0	0,0%	-
38 Slovenia	254.630	988.389	486.681	0,1%	-74,2%	17.514	53.115	48.636	0,0%	-67,0%
39 Slovakia	250.181	413.723	540.759	0,1%	-39,5%	12.771	20.992	26.415	0,0%	-39,2%
40 Poland	223.182	1.036.573	57.563	0,1%	-78,5%	16.074	89.612	22.530	0,0%	-82,1%
41 Peru	205.765	253.652	266.692	0,1%	-18,9%	8.055	8.163	10.786	0,0%	-1,3%
42 Ecuador	197.845	68.238	15.088	0,1%	189,9%	24.411	7.828	895	0,0%	211,8%
43 Colombia	167.074	123.748	153.033	0,1%	35,0%	26.844	6.671	12.179	0,0%	302,4%
44 Nicaragua	162.325	96.678	112.599	0,0%	67,9%	8.325	3.204	6.197	0,0%	159,8%
45 Sri Lanka	155.186	158.297	156.904	0,0%	-2,0%	9.207	9.045	7.892	0,0%	1,8%
46 Guatemala	131.362	86.784	19.757	0,0%	51,4%	16.068	7.885	1.039	0,0%	103,8%
47 Belgium	102.553	123.086	212.756	0,0%	-16,7%	6.418	7.345	11.934	0,0%	-12,6%
48 United Arab Emirates	96.215	0	1.342	0,0%	-	9.081	0	24	0,0%	-
49 Croatia	80.812	77.438	0	0,0%	4,4%	11.753	10.936	0	0,0%	7,5%
50 Romania	65.110	0	132.398	0,0%	-	3.382	0	6.255	0,0%	-
51 Israel	63.579	29.165	168.061	0,0%	118,0%	617	1.248	5.149	0,0%	-50,6%
52 North Korea	57.153	0	0	0,0%	-	13.770	0	0	0,0%	-
53 Finland	41.035	1.430	13.629	0,0%	2769,6%	3.771	49	517	0,0%	7595,9%
54 Austria	36.704	41.870	6.162	0,0%	-12,3%	1.943	1.790	272	0,0%	8,5%
55 Morocco	24.175	0	0	0,0%	-	1.664	0	0	0,0%	-
56 Bolivia	20.877	0	0	0,0%	-	4.041	0	0	0,0%	-
57 Czech Republic	20.550	8.926	9.172	0,0%	130,2%	719	341	286	0,0%	110,9%
58 Bangladesh	20.548	92.442	0	0,0%	-77,8%	10.238	18.162	0	0,0%	-43,6%
59 Latvia	17.889	0	333.246	0,0%	-	896	0	19.205	0,0%	-
60 Egypt	11.339	0	0	0,0%	-	0	0	0	0,0%	-
61 Sweden	10.373	4.265	50.418	0,0%	143,2%	481	98	3.399	0,0%	390,8%
62 Haiti	7.084	0	0	0,0%	-	235	0	0	0,0%	-
63 Ethiopia	6.349	0	4.661	0,0%	-	302	0	178	0,0%	-
64 New Zealand	6.261	9.508	2.748	0,0%	-34,2%	140	247	154	0,0%	-43,3%
65 Venezuela	4.960	6.245	11.043	0,0%	-20,6%	279	352	561	0,0%	-20,7%
66 Barbados	2.462	1.769	1.852	0,0%	39,2%	113	80	84	0,0%	41,3%
67 Panama	399	0	0	0,0%	-	58	0	0	0,0%	-
68 Greece	16	0	0	0,0%	-	1	0	0	0,0%	-
69 Costa Rica	0	0	22.206	0,0%	-	0	0	983	0,0%	-
70 Dominica	0	137.106	0	0,0%	-100,0%	0	18.282	0	0,0%	-100,0%
71 El Salvador	0	0	1.418	0,0%	-	0	0	52	0,0%	-
72 Estonia	0	58.208	131.222	0,0%	-100,0%	0	13.905	8.129	0,0%	-100,0%
73 Madagascar	0	2.972	0	0,0%	-100,0%	0	92	0	0,0%	-100,0%
74 Kenya	0	0	8.481	0,0%	-	0	0	4.900	0,0%	-
75 Russia	0	164.154	0	0,0%	-100,0%	0	9.640	0	0,0%	-100,0%
Total	327.980.969	424.406.899	504.293.258		-22,7%	49.455.281	49.165.574	51.812.536		0,6%

Source: MDIC/SECEX - Prepared by: CICB

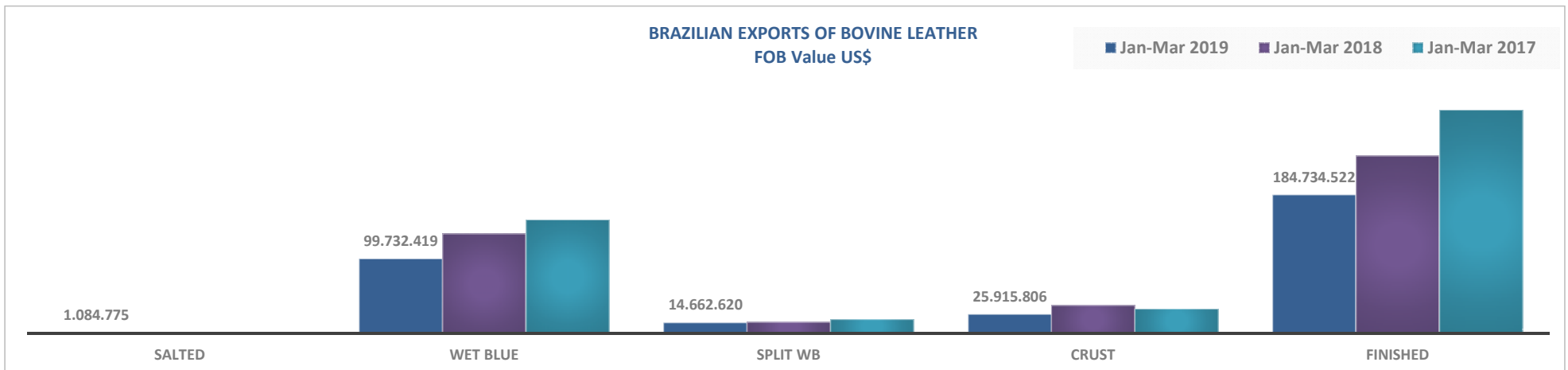
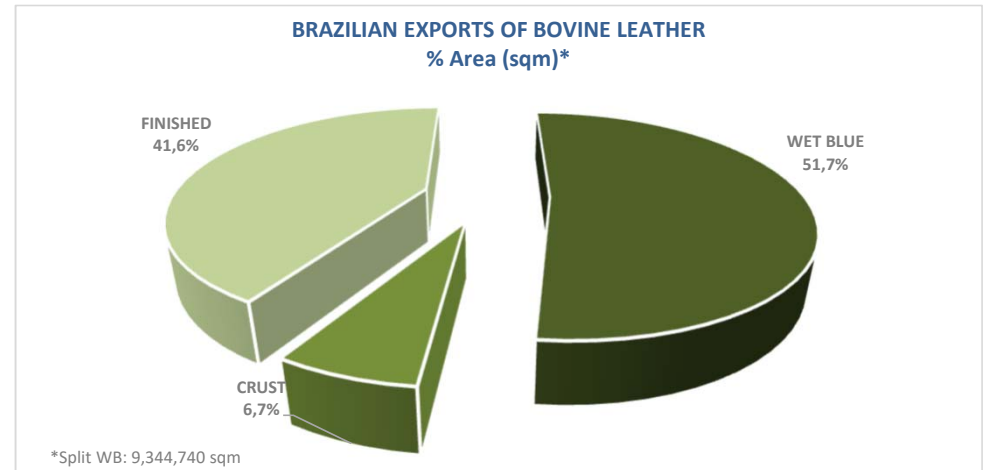
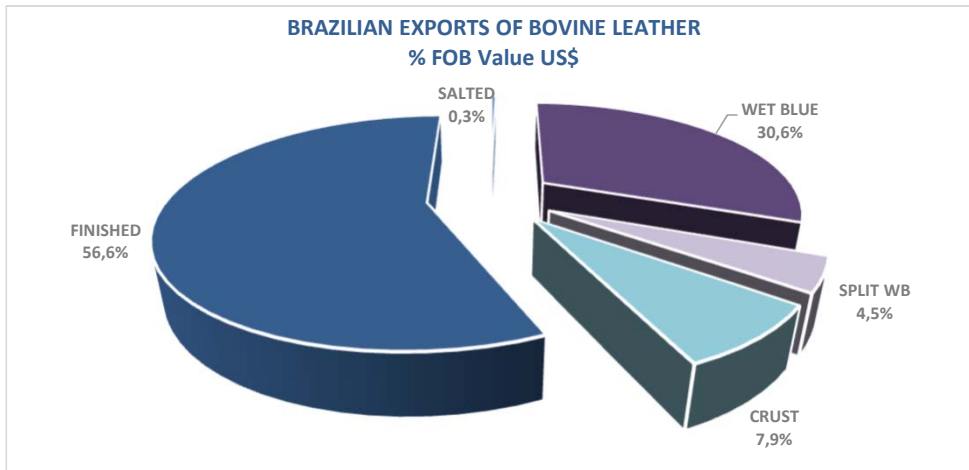
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	2019/2018	2019/2017	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017	2019/2018	2019/2017
SALTED	1.084.775	671.272	1.552.185	61,6%	-30,1%	-	-	-	-	-
WET BLUE	99.732.419	132.844.158	151.343.058	-24,9%	-34,1%	20.686.816	17.325.925	15.884.290	19,4%	30,2%
SPLIT WB	14.662.620	15.410.384	18.916.690	-4,9%	-22,5%	-	-	-	-	-
CRUST	25.915.806	37.593.980	32.837.492	-31,1%	-21,1%	2.661.673	3.389.101	2.467.336	-21,5%	7,9%
FINISHED	184.734.522	236.633.318	297.558.329	-21,9%	-37,9%	16.650.163	17.938.065	20.382.355	-7,2%	-18,3%
Total	326.130.142	423.153.112	502.207.754	-22,9%	-35,1%	39.998.652	38.653.091	38.733.981	3,5%	3,3%

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-Mar 2019	Jan-Mar 2018	Jan-Mar 2017		2019/2018	2019/2017	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2017		2019/2018	2019/2017
1 Rio Grande do Sul	83.724.315	93.645.379	94.968.691	25,5%	-10,6%	-11,8%	10.546.459	9.792.989	9.389.752	21,3%	7,7%	12,3%
2 São Paulo	50.490.311	76.361.576	97.470.299	15,4%	-33,9%	-48,2%	6.666.360	8.567.524	9.476.903	13,5%	-22,2%	-29,7%
3 Goiás	47.951.837	64.472.988	79.208.574	14,6%	-25,6%	-39,5%	8.079.689	7.411.440	8.499.862	16,3%	9,0%	-4,9%
4 Paraná	45.110.552	46.458.037	58.622.267	13,8%	-2,9%	-23,0%	8.166.656	6.722.028	6.171.585	16,5%	21,5%	32,3%
5 Mato Grosso do Sul	19.534.578	28.493.654	20.225.145	6,0%	-31,4%	-3,4%	3.950.249	3.622.798	2.390.818	8,0%	9,0%	65,2%
6 Bahia	19.251.831	30.784.279	35.326.806	5,9%	-37,5%	-45,5%	2.464.684	3.873.081	3.493.105	5,0%	-36,4%	-29,4%
7 Santa Catarina	18.245.174	25.637.105	24.392.289	5,6%	-28,8%	-25,2%	2.585.829	2.602.237	2.257.388	5,2%	-0,6%	14,5%
8 Ceará	14.547.176	18.553.642	34.996.710	4,4%	-21,6%	-58,4%	1.522.822	1.465.133	3.589.485	3,1%	3,9%	-57,6%
9 Pará	9.258.199	15.920.632	14.610.252	2,8%	-41,8%	-36,6%	1.716.420	1.894.423	1.650.974	3,5%	-9,4%	4,0%
10 Minas Gerais	8.806.538	11.697.136	25.555.958	2,7%	-24,7%	-65,5%	1.604.412	1.755.816	3.282.209	3,2%	-8,6%	-51,1%
11 Mato Grosso	6.474.871	9.893.859	12.523.318	2,0%	-34,6%	-48,3%	1.248.664	1.192.297	1.079.510	2,5%	4,7%	15,7%
12 Amazonas	1.055.943	0	0	0,3%	-	-	321.110	0	0	0,6%	-	-
13 Tocantins	834.078	380.187	2.847.678	0,3%	119,4%	-70,7%	186.278	49.607	274.473	0,4%	275,5%	-32,1%
14 Piauí	795.508	336.344	219.357	0,2%	136,5%	262,7%	86.253	25.189	27.937	0,2%	242,4%	208,7%
15 Rio de Janeiro	608.790	703.285	390.401	0,2%	-13,4%	55,9%	48.511	32.632	1.813	0,1%	48,7%	2575,7%
16 Maranhão	523.473	438.777	267.669	0,2%	19,3%	95,6%	140.259	81.296	26.492	0,3%	72,5%	429,4%
17 Rondônia	360.166	0	0	0,1%	-	-	68.432	0	0	0,1%	-	-
18 Sergipe	164.511	202.789	1.087.446	0,1%	-18,9%	-84,9%	45.263	39.092	82.979	0,1%	15,8%	-45,5%
19 Pernambuco	142.095	196.515	1.034.541	0,0%	-27,7%	-86,3%	6.901	23.056	97.295	0,0%	-70,1%	-92,9%
20 Amapá	97.816	117.465	297.039	0,0%	-16,7%	-67,1%	0	0	0	0,0%	-	-
21 Espírito Santo	3.207	6.845	4.155	0,0%	-53,1%	-22,8%	30	77	47	0,0%	-61,0%	-36,2%
22 Not Declared*	0	106.405	244.663	0,0%	-100,0%	-100,0%	0	14.859	19.909	0,0%	-100,0%	-100,0%
Total	327.980.969	424.406.899	504.293.258	100,0%	-22,7%	-35,0%	49.455.281	49.165.574	51.812.536	100,0%	0,6%	-4,5%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

