



BRAZILIAN EXPORTS OF HIDES AND SKINS

OCTOBER 2020

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

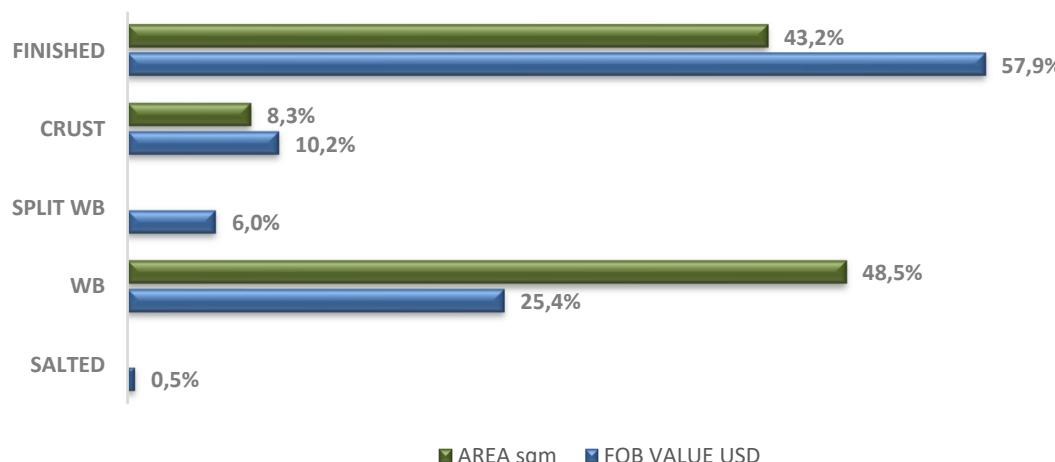
OCTOBER 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of October 2020, amounted to US\$ 91.2 million, down 1.6% year-on-year, when US\$ 92.6 million worth was exported, however an increase of 8.9% compared to September, when total was US\$ 83.7 million.

Considering exports in square meters, during October were shipped 16.1 million, down 1.3% year-on-year, but higher 0.5% than September, when total was 16.0 million.

The period from January to October of 2020 ended with a total of US\$ 770.8 million, down 22.5% compared to the same period of 2019, and also 11.4% below in traded area, with 137.3 million square meters.

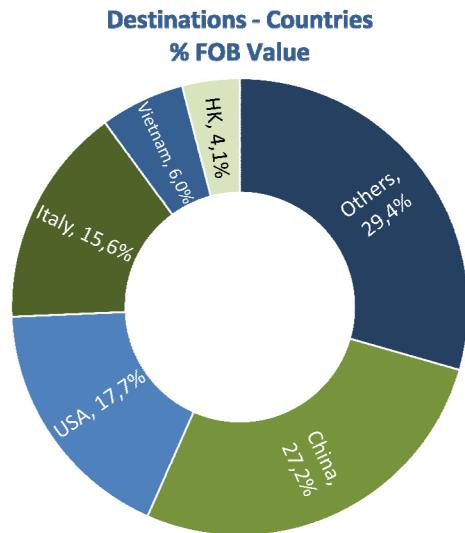
Below is the profile of 2020's bovine exports till October:



These are the variations of the Brazilian exports of bovine leather during 2020 till October, year-on-year:

- Salted hides higher 72.4% (previous +56.9%) in value, and also +193.2% (+188.6%) in weight;
- Wet Blue declined 24.3% (-27.0%) in value and 12.0% (-12.6%) in area;
- Split WB down 7.9% (-7.3%) in value and also down 4.6% (-4.8%) in area;
- Crust with value down 8.2% (-5.9%), and also down 0.3% (-2.4%) in area;
- Finished leather lower 25.5% (-28.1%) in value and down 16.6% (-19.6%) in area.

Below are the 2020 destinations:



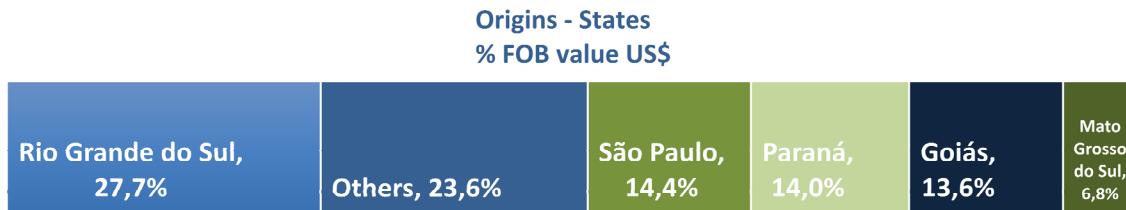
These are highlights from January to October of 2020 for the three main destinations for Brazilian leather:

- China, with share of 27.2% (previous 26.9%) in value and 34.7% (previous 34.3%) in area, down 8.6% (-9.6%) in traded area and also -13.9% (-15.8%) in value;
- US, with share of 17.7% (18.0%) in value and 9.0% (9.2%) in area, down 14.5% (-15.8%) in area and -20.5% (-22.4%) in value;
- Italy, with share of 15.6% (15.2%) in value and 19.2% (18.8%) in area, has reduction of 13.4% (-16.1%) in traded area, and also down 27.7% (-32.1%) considering value.

The October shipments allowed the three main destinations to show improvements in the accumulated indexes, if we compare with the values and volumes until September.

As an analysis of other countries considered important players in the leather trade, we highlight the following: Vietnam, in 4th place in the ranking (6.0% value share), shows increase of 10.3% (+7.8%) in area, but fall of 19.3% (-21.9%) in value; Germany, in 5th place, with share of 4.1% in value, down 36.3% (-37.8%) in area and also down 41.7% (-43.4%) in value; Hong Kong, which has area growth of 17.4% (+21.6%), still has drop in value of 36.1% (-38.2%); and Mexico, with share of 3.7% in value, now shows a decline of 10.4% (-10.2%) in area, and also down 20.1% (-18.6%) in value. Among the TOP30 destinations, positive exports' highlights go to Norway (+20.6% in value and +31.2% in area), Poland (+152.4% in value and +204.4% in area), and to Lithuania (+21.3% in value and +17.5% in area).

Below share of the states with relevant exports to the sector during 2020:



Some highlights considering exporting states:

- Despite the improvements, negative indexes in values remain among the TOP10 states. Mato Grosso do Sul and Bahia continue to show positive indexes in traded area: +5.1% and +6.9%, respectively;

- Still among the largest exporters, the value indexes now show smaller declines in most states, compared to the accumulated until the previous month. The exception is Pará. The most significant drops are: Ceará, with -40.1% (previous -45.1%); São Paulo, with -30.6% (-32.1%); Pará, with -27.2% (-24.1%); Goiás, with -25.8% (-28.0%); Santa Catarina, with -22.5% (-25.2%); and Minas Gerais, with -19.7% (-21.3%);

- The state of Rio Grande do Sul maintains its leadership in exports considering value and volume, however it showed a drop in share with the improvement of the others. Now it has a 27.7% share in value (previous 28.2%). São Paulo remains in second place in value (share of 14.4%), and fourth in area (share of 12.0%); Paraná has now overcome Goiás and is third in value (14.0%) and still second in area (16.9%); and Goiás is fourth place in value, with 13.6%, and third in area, with 13.8%;

- Significant growth still in Acre, with +245.3% in value and +259.2% in area, ranking 13th.

If we compare the month of October with what happened in July and August of this year, there was only a moderate level of growth (+8.9%) over September, which had also been registered in September over August (+5.3%). However, export values are now approaching shipments in the first quarter of the year, which were months without the impact of the pandemic. In addition, current exports approach the same values of the corresponding month of 2019, remaining practically stable both in value and in area. The differences arise in the price of the hides and in the US Dollar quotation, which are taking different paths. While the hides, the main raw material for tanneries, at week 45 is almost double the same week in 2019 (R\$ 1.09/kg x R\$ 0.59/kg), the October 2020 US Dollar quotation was much more favorable (R\$ 5.77 x R\$ 4.00 in Oct/19), with an increase of 44.3%.

The accumulated value of exports for the year is still negative (-22.5%), but it continues to improve if compared to the previous period (-24.7%). Leather prices, mainly Wet Blue and Crust, now show important improvements. About Wet Blue, the increase in the last two months (+8.5% in September and 11.3% in October), means that the levels are already equal to the pre-pandemic.

Regarding the main markets, the TOP3 destinations of Brazilian leather show upturns in value and volume, following the recovery trend of 1 to 3 percentage points month by month. Specifically, China, more than ever, continues to show a robust recovery, influencing the evolution of the international leather market. -

2 - BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA* (sqm)			Δ (%)		
	2020	2019	2018	MONTH 2020	2020/2019	2020/2018	2020	2019	2018	MONTH 2020	2020/2019	2020/2018
JAN	81.668.819	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	98.050.499	110.865.937	144.041.578	20,1%	-11,6%	-31,9%	16.093.909	16.450.463	16.743.477	9,9%	-2,2%	-3,9%
MAR	97.016.212	118.876.746	147.515.178	-1,1%	-18,4%	-34,2%	15.827.940	18.232.700	16.782.906	-1,7%	-13,2%	-5,7%
APR	69.882.244	105.935.839	136.997.970	-28,0%	-34,0%	-49,0%	12.510.467	15.685.661	16.934.162	-21,0%	-20,2%	-26,1%
MAY	55.308.584	107.847.382	101.387.567	-20,9%	-48,7%	-45,4%	10.085.835	15.914.498	12.060.974	-19,4%	-36,6%	-16,4%
JUN	48.388.365	91.317.919	134.092.407	-12,5%	-47,0%	-63,9%	8.674.900	13.741.104	17.040.148	-14,0%	-36,9%	-49,1%
JUL	66.205.148	86.133.297	77.719.735	36,8%	-23,1%	-14,8%	12.498.924	13.605.791	9.931.991	44,1%	-8,1%	25,8%
AUG	79.464.245	92.351.955	115.879.312	20,0%	-14,0%	-31,4%	14.965.252	15.124.597	14.602.513	19,7%	-1,1%	2,5%
SEP	83.681.102	90.587.484	112.331.092	5,3%	-7,6%	-25,5%	15.976.269	15.293.740	15.567.193	6,8%	4,5%	2,6%
OCT	91.160.660	92.618.708	120.783.613	8,9%	-1,6%	-24,5%	16.060.993	16.274.932	15.996.795	0,5%	-1,3%	0,4%
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	770.825.878	1.161.004.631	1.442.564.795		-22,5%	-37,0%	137.335.820	183.549.961	181.636.952		-11,4%	-9,2%

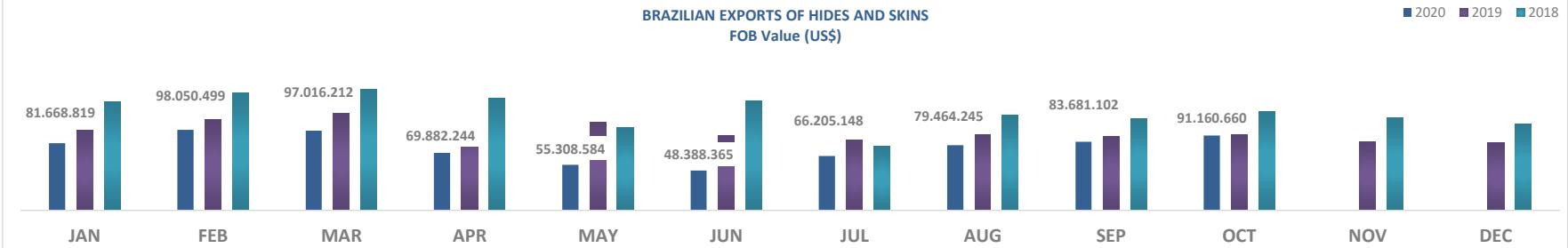
Source: SECEX - Prepared by: CICB

*Area including Full grain and Split

BRAZILIAN EXPORTS OF HIDES AND SKINS

FOB Value (US\$)

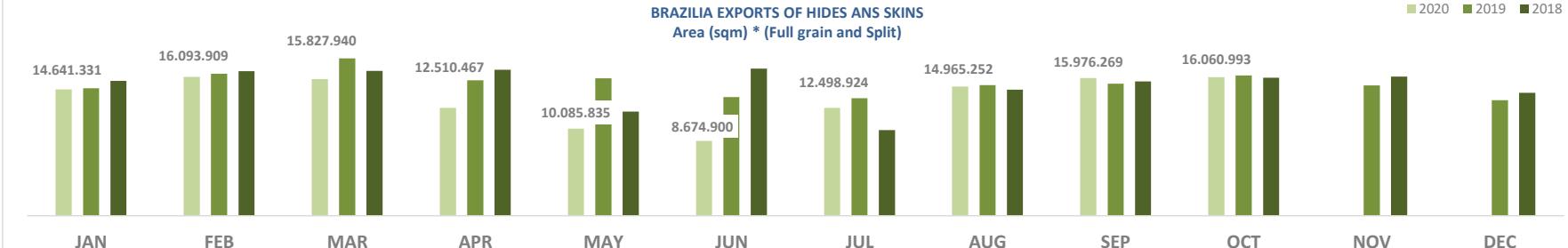
■ 2020 ■ 2019 ■ 2018



BRAZILIAN EXPORTS OF HIDES AND SKINS

Area (sqm) * (Full grain and Split)

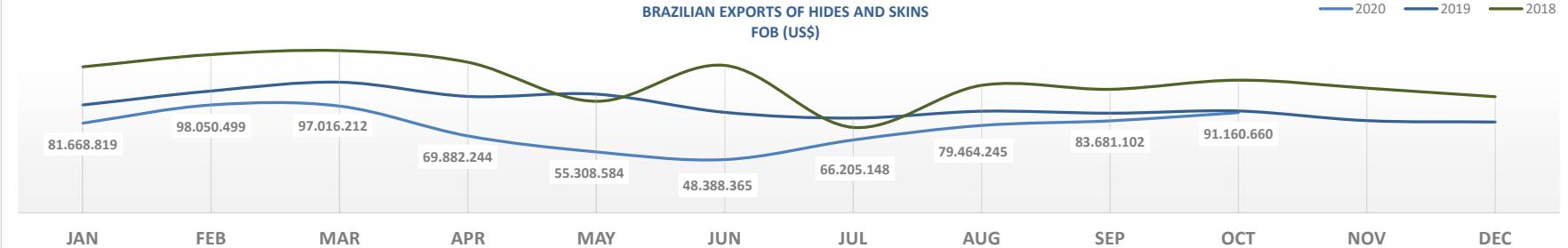
■ 2020 ■ 2019 ■ 2018



BRAZILIAN EXPORTS OF HIDES AND SKINS

FOB (US\$)

— 2020 — 2019 — 2018



3 - DESTINATION OF BRAZILIAN EXPORTS OF HIDES AND SKINS

COUNTRIES	FOB VALUE (US\$)			Δ		AREA* (sqm)			Δ	
	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018	Share 20	2020/2019	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018	Share 20	2020/2019
1 China + Hong Kong	240.797.649	292.265.670	377.055.701	31,2%	-17,6%	55.040.550	58.440.432	51.461.848	40,1%	-5,8%
China	209.410.101	243.181.074	313.314.238	27,2%	-13,9%	47.632.688	52.128.167	46.718.351	34,7%	-8,6%
2 United States	136.531.222	171.758.691	206.072.171	17,71%	-20,5%	12.404.856	14.501.897	15.403.420	9,0%	-14,5%
3 Italy	120.423.911	166.672.125	214.319.318	15,62%	-27,7%	26.337.732	30.399.892	32.643.287	19,2%	-13,4%
4 Vietnam	46.112.764	57.138.517	62.481.729	6,0%	-19,3%	12.591.673	11.417.245	12.604.347	9,2%	10,3%
5 Germany	31.395.041	53.824.923	33.053.534	4,1%	-41,7%	3.073.628	4.825.683	2.385.890	2,2%	-36,3%
Hong Kong	31.387.548	49.084.596	63.741.463	4,1%	-36,1%	7.407.862	6.312.265	4.743.497	5,4%	17,4%
6 Mexico	28.516.363	35.708.315	36.638.356	3,70%	-20,1%	2.701.547	3.015.830	2.648.709	2,0%	-10,4%
7 Thailand	23.488.339	31.100.856	44.611.997	3,0%	-24,5%	2.555.559	3.088.762	4.175.818	1,9%	-17,3%
8 Hungary	17.885.972	17.943.089	55.543.595	2,3%	-0,3%	1.581.703	1.391.219	4.048.061	1,2%	13,7%
9 Taiwan	15.947.527	21.259.710	22.843.996	2,1%	-25,0%	5.957.444	8.283.763	8.098.075	4,3%	-28,1%
10 India	12.223.770	18.076.895	13.665.200	1,6%	-32,4%	3.682.778	5.317.187	2.983.345	2,7%	-30,7%
11 Indonesia	10.996.445	11.135.340	19.667.927	1,4%	-1,2%	1.344.211	1.122.206	1.541.365	1,0%	19,8%
12 South Korea	10.076.340	14.318.713	18.896.868	1,3%	-29,6%	1.399.283	2.069.371	2.184.323	1,0%	-32,4%
13 Norway	8.199.856	6.801.402	10.207.537	1,1%	20,6%	600.482	457.628	618.471	0,4%	31,2%
14 Netherlands	7.955.735	9.683.315	10.597.162	1,0%	-17,8%	900.827	1.100.540	955.820	0,7%	-18,1%
15 Tunisia	6.079.367	6.304.322	4.843.454	0,8%	-3,6%	393.924	390.552	251.419	0,3%	0,9%
16 Uruguay	4.958.003	7.823.664	11.809.973	0,6%	-36,6%	648.716	754.779	913.290	0,5%	-14,1%
17 Poland	3.639.701	1.441.859	1.870.751	0,5%	152,4%	384.827	126.413	170.846	0,3%	204,4%
18 Portugal	3.547.835	6.674.264	7.925.281	0,5%	-46,8%	492.039	872.574	937.547	0,4%	-43,6%
19 Canada	3.544.767	4.396.577	5.257.229	0,5%	-19,4%	246.340	251.474	297.062	0,2%	-2,0%
20 Malaysia	3.167.573	6.616.918	10.065.617	0,4%	-52,1%	258.178	595.957	685.368	0,2%	-56,7%
21 Argentina	3.132.553	3.653.800	3.291.104	0,4%	-14,3%	403.384	290.873	289.224	0,3%	38,7%
22 United Kingdom	2.538.597	3.243.456	3.010.259	0,3%	-21,7%	275.947	346.816	264.642	0,2%	-20,4%
23 South Africa	2.225.790	4.171.571	6.999.795	0,3%	-46,6%	399.975	626.062	695.524	0,3%	-36,1%
24 Lithuania	2.216.382	1.827.491	1.186.588	0,3%	21,3%	144.895	123.352	67.866	0,1%	17,5%
25 Spain	1.992.796	4.846.133	4.868.873	0,3%	-58,9%	567.525	1.228.106	1.194.159	0,4%	-53,8%
26 Macau	1.970.672	0	169.620	0,3%	-	396.049	0	26.187	0,3%	-
27 Chile	1.706.814	2.256.125	2.167.444	0,2%	-24,3%	241.600	265.119	231.313	0,2%	-8,9%
28 Cambodia	1.557.410	2.266.528	1.638.016	0,2%	-31,3%	200.849	260.287	501.879	0,1%	-22,8%
29 Denmark	1.536.687	1.731.936	2.014.324	0,2%	-11,3%	121.668	122.041	126.070	0,1%	-0,3%
30 Australia	1.427.196	2.193.134	3.693.664	0,2%	-34,9%	109.499	164.889	222.108	0,1%	-33,6%
Others (2020: +53 countries)	15.032.801	27.484.313	27.131.599	2,0%	-45,3%	1.878.132	3.234.335	2.653.003	1,4%	-41,9%
Total	770.825.878	994.619.652	1.223.598.682		-22,5%	137.335.820	155.085.284	151.280.286		-11,4%

Source: MDIC/SECEX - Prepared by: CICB

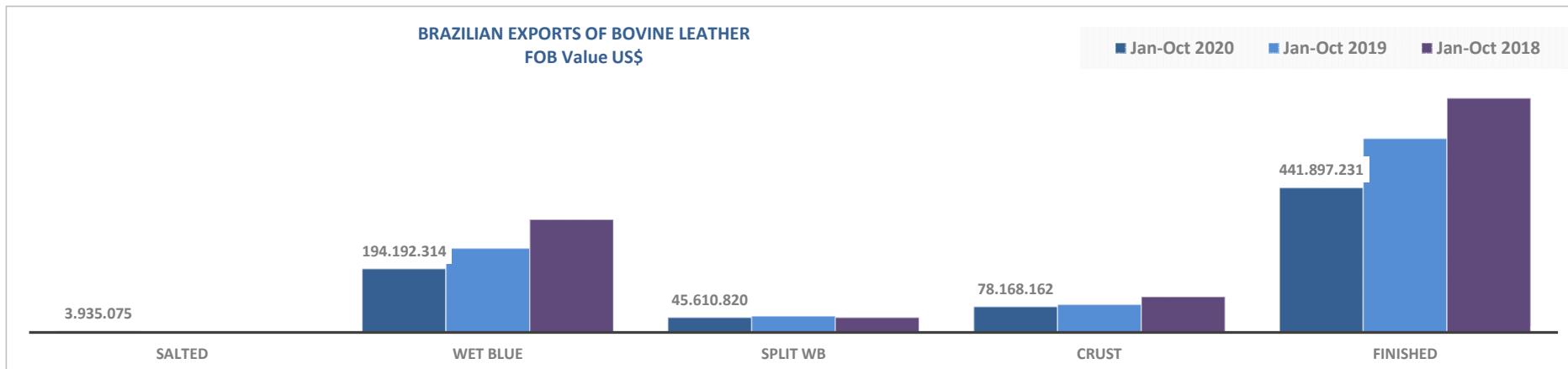
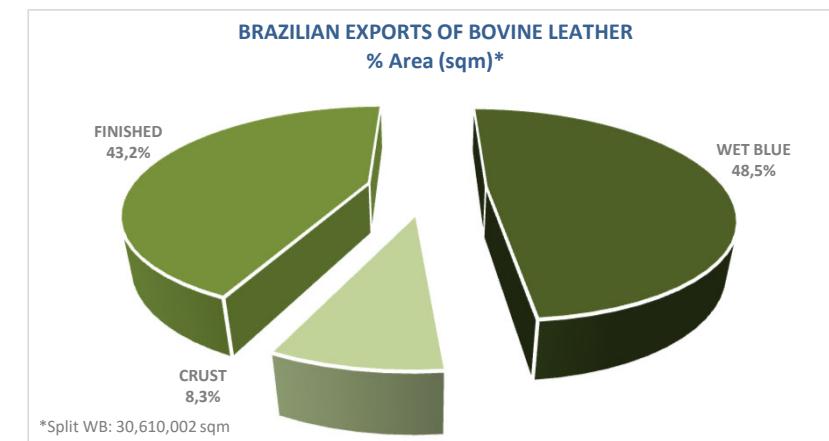
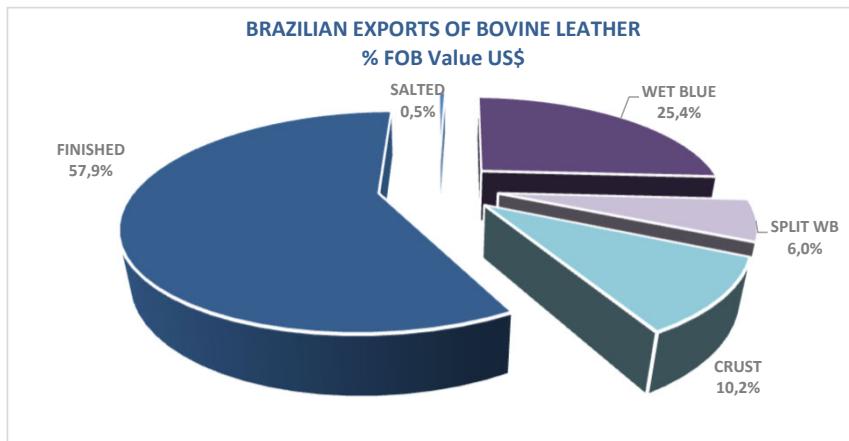
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)				Δ		AREA (sqm)*				Δ		WEIGHT (KG)				Δ	
	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018	2020/2019	2020/2018	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018	2020/2019	2020/2018	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018	2020/2019	2020/2018	Jan-Oct 2020	Jan-Oct 2019	
SALTED	3.935.075	2.282.392	2.491.174	72,4%	58,0%	-	-	-	-	-	13.034.298	4.444.975	3.807.485	193,2%	242,3%			
WET BLUE	194.192.314	256.667.686	344.718.147	-24,3%	-43,7%	51.570.643	58.606.356	52.070.671	-12,0%	-1,0%	222.203.480	244.777.306	208.671.177	-9,2%	6,5%			
SPLIT WB	45.610.820	49.502.597	45.798.994	-7,9%	-0,4%	-	-	-	-	-	89.377.143	91.623.041	94.229.747	-2,5%	-5,1%			
CRUST	78.168.162	85.133.346	109.276.780	-8,2%	-28,5%	8.872.270	8.898.860	10.535.191	-0,3%	-15,8%	8.474.593	8.602.958	18.917.880	-1,5%	-55,2%			
FINISHED	441.897.231	592.941.370	715.615.085	-25,5%	-38,2%	45.944.280	55.085.783	56.704.817	-16,6%	-19,0%	39.952.351	49.363.367	49.070.541	-19,1%	-18,6%			
Total	763.803.602	986.527.391	1.217.900.180	-22,6%	-37,3%	106.387.193	122.590.999	119.310.679	-13,2%	-10,8%	373.041.865	398.811.647	374.696.830	-6,5%	-0,4%			

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-Oct 2020	Jan-Oct 2019	Jan-Oct 2018		2020/2019	2020/2018	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2018		2020/2019	2020/2018
1 Rio Grande do Sul	213.555.383	260.524.046	296.354.309	27,7%	-18,0%	-27,9%	31.725.475	32.639.740	33.037.495	23,1%	-2,8%	-4,0%
2 São Paulo	111.063.173	159.968.162	215.765.910	14,4%	-30,6%	-48,5%	16.510.849	21.652.682	24.143.160	12,0%	-23,7%	-31,6%
3 Paraná	107.589.706	130.402.665	133.085.212	14,0%	-17,5%	-19,2%	23.158.228	25.454.075	20.815.076	16,9%	-9,0%	11,3%
4 Goiás	104.686.365	141.084.096	190.516.856	13,6%	-25,8%	-45,1%	18.972.964	23.943.705	24.864.797	13,8%	-20,8%	-23,7%
5 Mato Grosso do Sul	52.299.058	56.519.322	71.229.386	6,8%	-7,5%	-26,6%	13.254.321	12.607.542	10.268.297	9,7%	5,1%	29,1%
6 Bahia	48.827.039	56.217.688	79.962.858	6,3%	-13,1%	-38,9%	8.309.736	7.772.661	9.235.548	6,1%	6,9%	-10,0%
7 Santa Catarina	40.164.395	51.631.647	69.477.879	5,2%	-22,2%	-42,2%	7.183.319	7.617.334	8.106.716	5,2%	-5,7%	-11,4%
8 Ceará	27.246.317	45.448.792	58.313.471	3,5%	-40,1%	-53,3%	3.131.995	5.055.357	5.601.692	2,3%	-38,0%	-44,1%
9 Minas Gerais	23.170.932	28.873.315	29.512.668	3,0%	-19,7%	-21,5%	4.673.473	5.085.794	4.611.432	3,4%	-8,1%	1,3%
10 Pará	17.744.331	24.387.463	39.549.475	2,3%	-27,2%	-55,1%	4.625.774	5.307.626	5.422.791	3,4%	-12,8%	-14,7%
11 Mato Grosso	8.288.521	23.178.750	27.759.780	1,1%	-64,2%	-70,1%	2.163.094	5.048.748	4.144.755	1,6%	-57,2%	-47,8%
12 Rio de Janeiro	2.718.978	2.752.086	2.560.803	0,4%	-1,2%	6,2%	26.908	69.442	100.058	0,0%	-61,3%	-73,1%
13 Acre	2.285.892	661.914	0	0,3%	245,3%	-	682.557	190.013	0	0,50%	259,2%	-
14 Amazonas	2.093.038	2.333.838	1.479.622	0,3%	-10,3%	41,5%	896.682	713.483	282.606	0,7%	25,7%	217,3%
15 Rondônia	1.795.260	2.257.539	0	0,2%	-20,5%	-	560.682	614.044	0	0,4%	-8,7%	-
16 Tocantins	1.744.646	3.147.562	1.361.498	0,2%	-44,6%	28,1%	566.295	725.727	196.324	0,4%	-22,0%	188,4%
17 Piauí	1.344.296	2.970.109	950.875	0,2%	-54,7%	41,4%	88.998	260.495	88.973	0,06%	-65,8%	0,0%
18 Pernambuco	1.207.605	786.132	1.195.580	0,2%	53,6%	1,0%	40.040	48.514	106.437	0,03%	-17,5%	-62,4%
19 Maranhão	968.765	641.181	2.505.154	0,1%	51,1%	-61,3%	385.681	160.315	493.554	0,3%	140,6%	-21,9%
20 Sergipe	936.247	413.886	909.445	0,1%	126,2%	2,9%	293.694	117.759	232.020	0,2%	149,4%	26,6%
21 Amapá	549.861	403.466	314.249	0,1%	36,3%	75,0%	0	0	0	0,0%	-	-
22 Distrito Federal	389.440	0	0	0,05%	-	-	84.748	0	0	0,06%	-	-
23 Rio Grande do Norte	128.056	0	0	0,02%	-	-	0	0	0	0,0%	-	-
24 Espírito Santo	28.574	15.993	20.990	0,004%	78,7%	36,1%	307	228	222	0,000%	34,6%	38,3%
25 Not Declared*	0	0	772.662	0,0%	-	-100,0%	0	0	76.798	0,0%	-	-100,0%
Total	770.825.878	994.619.652	1.223.598.682	100,0%	-22,5%	-37,0%	137.335.820	155.085.284	151.828.751	100,0%	-11,4%	-9,5%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

