



BRAZILIAN EXPORTS OF HIDES AND SKINS

AUGUST 2019



SUMMARY

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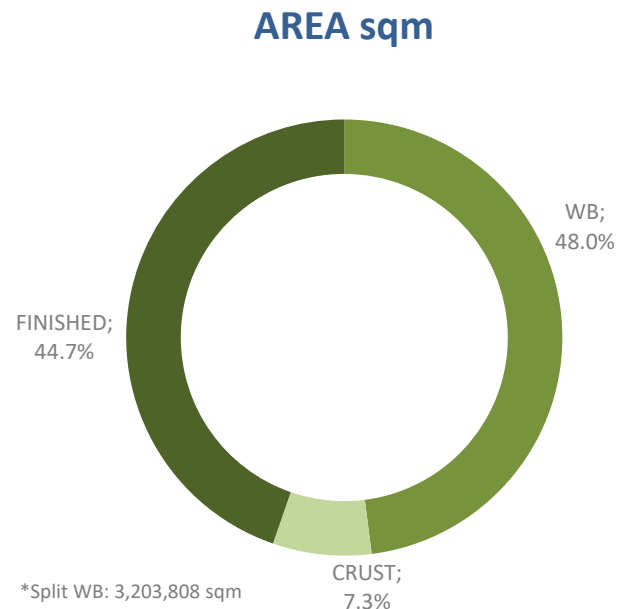
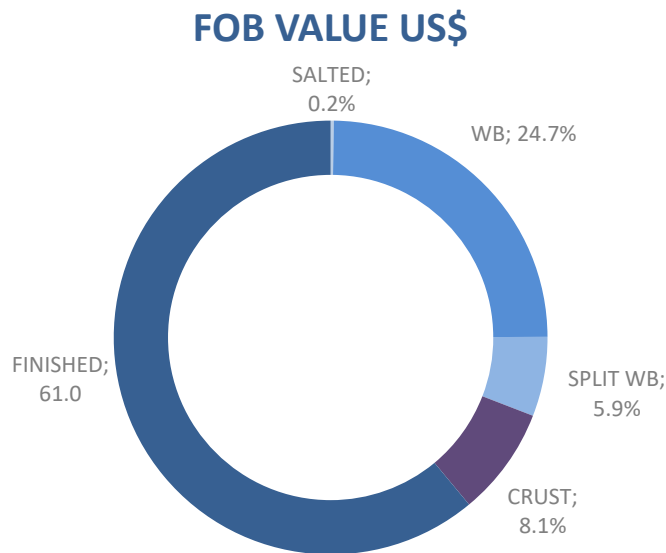
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1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS AUGUST 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of August 2019, registered the amount of US\$ 86.2 million, down 25.6% year-on-year, when total exports were US\$ 115.9 million, however up 2.1% compared to July, when amount was US\$ 84.4 million.

Considering exports in square meters, in August were shipped 14.3 million, down 2.2% over same month of 2018, when total was 14.6 million. From January to August, exported area was 1.7% higher than 2018.

Profile of August 2019 exports is the following:

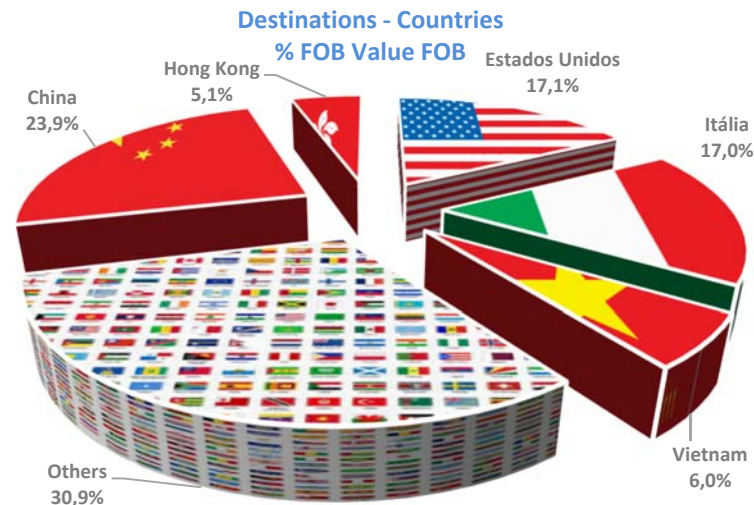


Except Split WB, all other types show price reductions that are impacting the total amount of exports. These are the variations of the Brazilian exports of bovine hides, considering January to August, year-on-year:

- Salted hides down 7.5% in value and up 9.6% in weight;
- Wet Blue declined 25.8% in value, but were up 13.3% in area;
- Split WB higher 3.4% in value, but down 3.6% in area;
- Crust was lower 25.3% in value and 17.0% in area;

- Finished leather also lower 17.2% in value and 2.4% in area.

Below are destinations from January to August 2019:



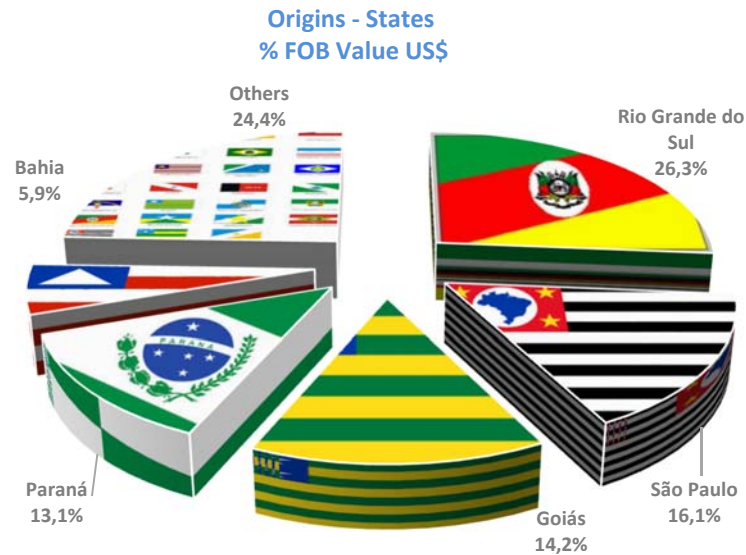
Below are some highlights of the results in 2019 for the three main destinations for Brazilian leather:

- China, with share of 23.9%, grew 3.8% in trade area (before +2.4%), however decreased 23.9% (-27.4%) in value;
- USA became second main destination, now with share of 17.1% (before 16.6%), still down 9.3% (-11.8%) in area and down 19.4% (-20.9%) in value;
- Italy, now in third place, with share of 17.0% (17.3%) still maintaining a growth of 1.1% (+4.3%) in trade area, but down 14.8% (-12.3%) considering value.

If we consider the performance of the three main markets for Brazilian leather compared to same period of 2018, until August it is possible to notice an improvement for China and USA in exported trade area compared to the accumulated until July. Italy, despite declining growth rates, is still in the positive field.

To other important countries with relevant share and also some of the target markets for the Brazilian Leather project, we highlight the growth of Germany, with +73.9% in value and +118.3% in area, Hong Kong with +38.8% in area but still down 18.9% in value, Mexico now growing 21.4% in area and 0.6% in value, India with +41.2% in value and +106.7% in area, South Korea with +14.7% in area, but down 8.7% in value, and finally, Spain with +11.3% in value and -2.4% in area. France still has significant cumulative growth, with +136.8% in value and +124.6% in area.

Below share of the states with relevant exports to the sector in 2019:



Some highlights considering exporting states:

- Paraná state remains the only state among the TOP10 to show value increase in the period (+2.3; until July +3.0%), with negative highlights for São Paulo (-28.5%), Bahia (-32.1%), Santa Catarina (-26.0%), and Pará (-45.2%). With falls above 20% are also the states of Goiás, Mato Grosso do Sul, and Ceará;

- Rio Grande do Sul has further increased its leadership, now with share of 26.3% (26.2%), although still remains down 11.2% in value. São Paulo remains in second, with 16.1% share (before 16.2%). Goiás remains with 14.2% in third, with Paraná slightly reducing its share to 13.1% (13.2%);

- With lower share, Piauí and Amazonas continue to show significant growths in value (+302.2% and +162.6% respectively), and now they have one more state with significant percentages, Tocantins, with +90.4%.

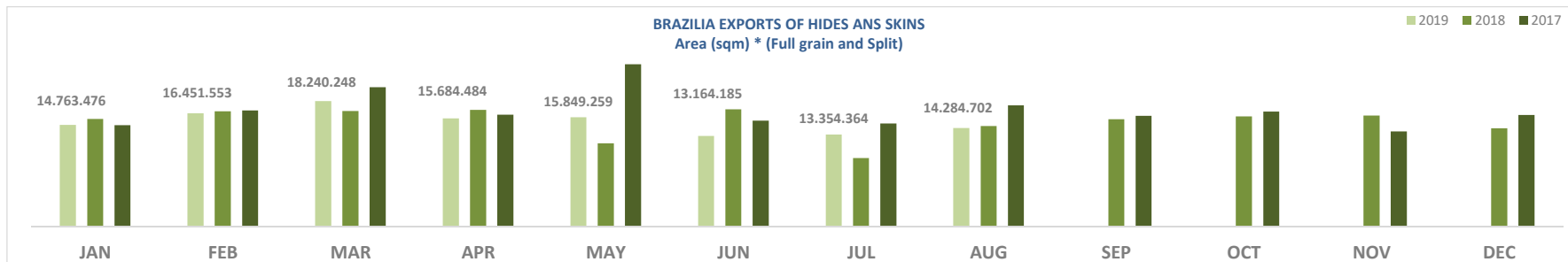
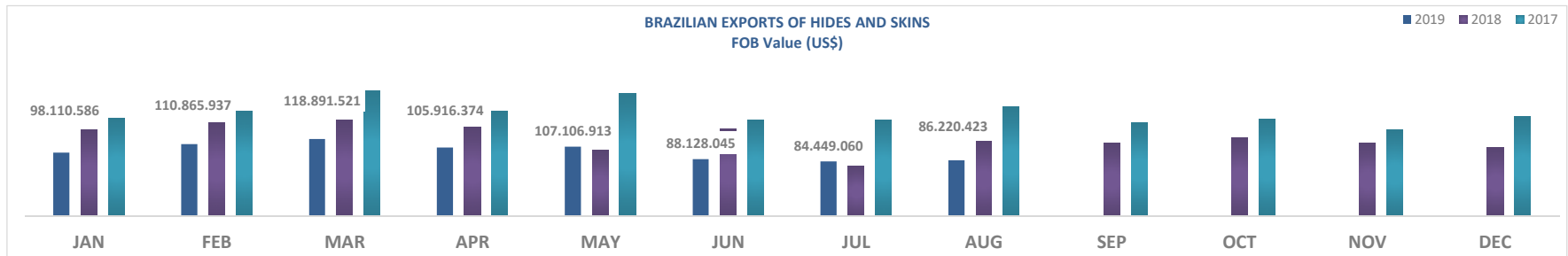
The export situation this year continues with unfavorable results to the sector, despite the 1.7% growth in trade area. Wet Blue export volume growth is increasingly reflected in total values, with international prices remaining at historically low levels and showing no signs of improvement in the short term, supported so far by a favorable exchange rate. –

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	98.110.586	132.850.230	150.594.334	-7,0%	-26,1%	-34,9%	14.763.476	15.639.191	14.722.866	3,6%	-5,6%	0,3%
FEB	110.865.937	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	118.891.521	147.515.178	192.569.385	7,2%	-19,4%	-38,3%	18.240.248	16.782.906	20.239.371	10,9%	8,7%	-9,9%
APR	105.916.374	136.997.970	161.555.800	-10,9%	-22,7%	-34,4%	15.684.484	16.935.718	16.246.555	-14,0%	-7,4%	-3,5%
MAY	107.106.913	101.387.567	189.315.724	1,1%	5,6%	-43,4%	15.849.259	12.060.974	23.563.932	1,1%	31,4%	-32,7%
JUN	88.128.045	134.092.407	148.251.832	-17,7%	-34,3%	-40,6%	13.164.185	17.040.148	15.371.874	-16,9%	-22,7%	-14,4%
JUL	84.449.060	77.719.735	148.621.433	-4,2%	8,7%	-43,2%	13.354.364	9.932.091	14.941.331	1,4%	34,5%	-10,6%
AUG	86.220.423	115.879.312	168.323.058	2,1%	-25,6%	-48,8%	14.284.702	14.602.513	17.618.510	7,0%	-2,2%	-18,9%
SEP		112.331.092	144.028.851					15.567.199	16.067.573			
OCT		120.783.613	149.290.587					15.996.995	16.695.816			
NOV		113.432.678	132.740.099					16.111.486	13.813.058			
DEC		105.533.435	153.081.851					14.245.187	16.183.081			
Total	799.688.859	1.442.564.795	1.899.502.493		-19,3%	-39,4%	121.792.271	181.657.885	202.337.344		1,7%	-12,7%

Source: SECEX - Prepared by: CICB

*Area including Full grain and Split



3 - DESTINATION OF BRAZILIAN EXPORTS OF HIDES AND SKINS

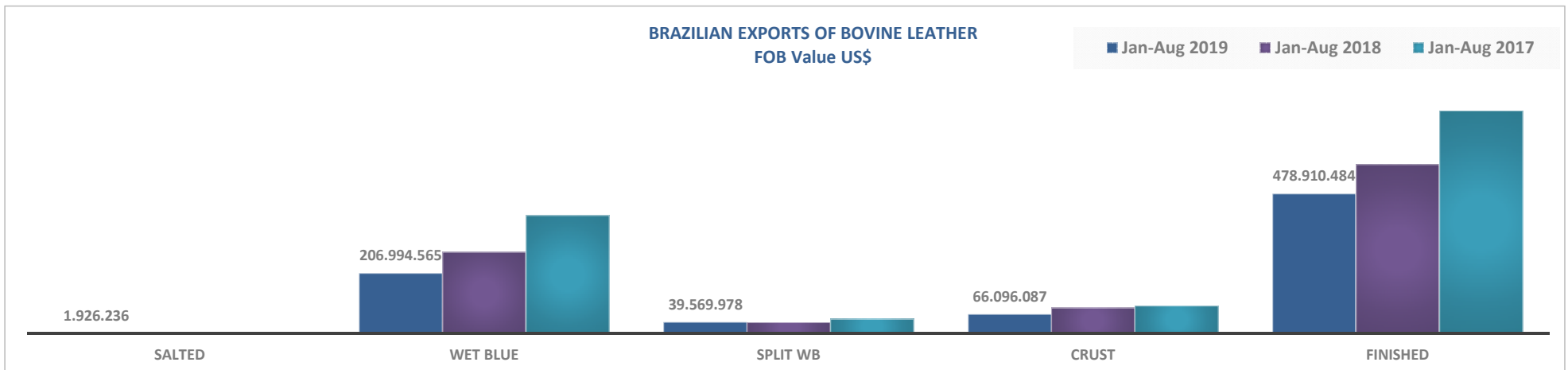
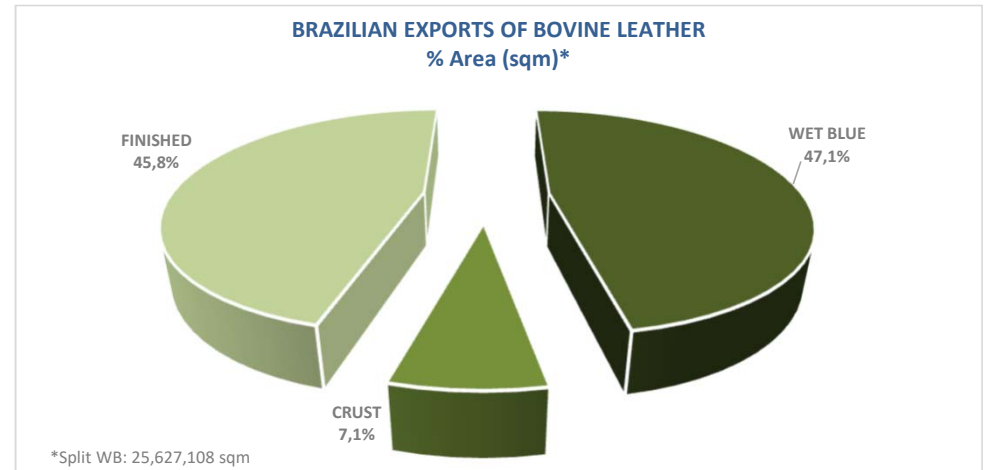
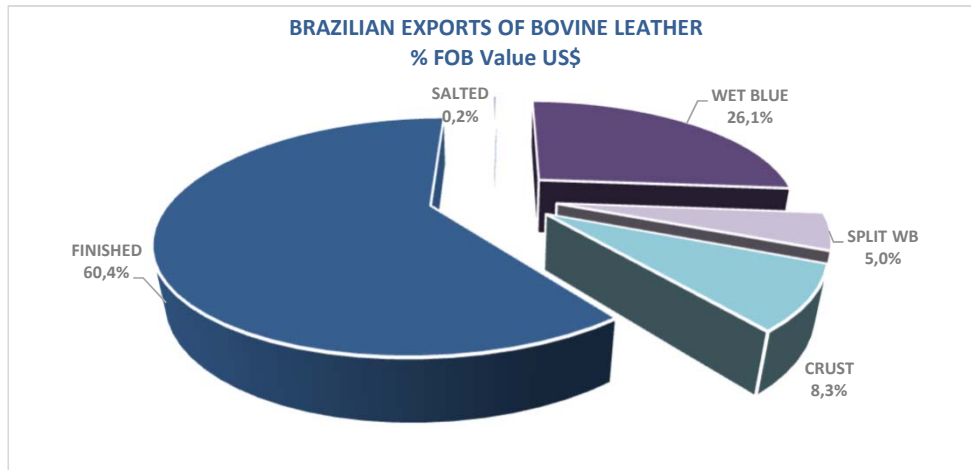
COUNTRIES	FOB VALUE (US\$)			Δ		AREA* (sqm)			Δ	
	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	Share 19	2019/2018	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	Share 19	2019/2018
1 China + Hong Kong	231.779.661	313.364.175	410.588.225	29,0%	-26,0%	44.891.548	41.989.320	45.957.535	5,6%	6,9%
China	191.020.311	263.101.798	352.874.144	23,9%	-27,4%	39.769.229	38.298.298	38.757.945	5,0%	3,8%
2 United States	136.558.896	169.385.093	205.169.113	17,1%	-19,4%	11.391.202	12.564.474	12.902.045	1,4%	-9,3%
3 Italy	136.151.800	159.815.291	233.922.031	17,0%	-14,8%	23.835.172	23.573.551	27.394.077	3,0%	1,1%
4 Vietnam	48.296.602	52.258.984	97.803.808	6,0%	-7,6%	9.411.725	10.339.004	22.487.703	1,2%	-9,0%
5 Germany	43.081.319	24.772.107	34.895.582	5,4%	73,9%	3.767.540	1.725.476	2.376.657	0,5%	118,3%
Hong Kong	40.759.350	50.262.377	57.714.081	5,1%	-18,9%	5.122.319	3.691.022	7.199.590	0,6%	38,8%
6 Mexico	27.496.515	27.342.719	28.031.222	3,4%	0,6%	2.365.784	1.948.903	1.663.734	0,3%	21,4%
7 Thailand	23.566.239	35.381.757	43.379.836	2,9%	-33,4%	2.354.548	3.186.884	3.206.178	0,3%	-26,1%
8 Taiwan	17.571.860	19.393.609	17.097.378	2,2%	-9,4%	6.794.010	6.811.851	3.862.618	0,8%	-0,3%
9 Hungary	14.902.949	48.161.479	73.659.578	1,9%	-69,1%	1.155.242	3.475.727	4.576.369	0,1%	-66,8%
10 India	14.546.572	10.301.053	9.713.648	1,8%	41,2%	4.205.302	2.034.761	1.451.895	0,5%	106,7%
11 Sout Korea	11.271.818	12.349.624	34.732.910	1,4%	-8,7%	1.632.326	1.423.379	2.808.492	0,2%	14,7%
12 Indonesia	9.189.602	18.554.871	21.538.885	1,1%	-50,5%	886.522	1.445.823	1.677.709	0,1%	-38,7%
13 Netherlands	8.323.054	9.061.479	10.543.232	1,0%	-8,1%	928.542	790.212	786.906	0,1%	17,5%
14 Uruguay	7.230.449	11.001.573	11.232.930	0,9%	-34,3%	697.244	852.239	739.321	0,1%	-18,2%
15 Malaysia	5.924.513	8.734.258	5.639.434	0,7%	-32,2%	526.837	589.480	347.451	0,1%	-10,6%
16 Portugal	5.754.688	6.593.225	6.856.080	0,7%	-12,7%	743.542	774.038	700.289	0,1%	-3,9%
17 Norway	5.255.178	8.207.092	11.952.308	0,7%	-36,0%	348.184	492.637	627.922	0,04%	-29,3%
18 Tunisia	4.904.905	3.992.105	4.184.528	0,6%	22,9%	305.741	208.086	233.811	0,04%	46,9%
19 France	4.223.715	1.783.535	1.232.924	0,5%	136,8%	182.722	81.361	95.441	0,02%	124,6%
20 Spain	3.707.382	3.330.690	3.105.362	0,5%	11,3%	914.398	936.636	1.043.086	0,11%	-2,4%
21 Canada	3.693.786	4.287.370	4.516.939	0,5%	-13,8%	210.373	242.573	234.200	0,0%	-13,3%
22 South Africa	3.074.041	5.912.426	11.364.932	0,4%	-48,0%	433.574	560.931	976.002	0,05%	-22,7%
23 United Kingdom	2.932.075	2.471.078	2.790.935	0,4%	18,7%	324.494	221.139	349.944	0,04%	46,7%
24 Argentina	2.823.015	2.722.151	2.925.976	0,4%	3,7%	226.294	231.024	196.912	0,03%	-2,0%
25 Dominican Republic	2.318.575	3.823.017	5.941.262	0,3%	-39,4%	328.232	363.444	409.409	0,04%	-9,7%
26 Paraguay	2.091.298	1.913.527	3.322.708	0,3%	9,3%	362.997	269.996	418.089	0,05%	34,4%
27 Cambodia	1.885.330	1.083.626	748.447	0,2%	74,0%	247.052	449.687	229.575	0,03%	-45,1%
28 Chile	1.860.087	1.691.804	2.386.262	0,2%	9,9%	211.733	167.264	220.354	0,03%	26,6%
29 Australia	1.676.033	3.299.451	3.014.622	0,2%	-49,2%	126.080	197.511	170.881	0,02%	-36,2%
30 Denmark	1.416.795	1.844.092	1.525.676	0,2%	-23,2%	98.417	114.285	89.211	0,01%	-13,9%
Other (2019: +50 countries)	16.180.107	17.650.716	16.544.332	2,0%	-8,3%	1.884.894	1.675.322	1.344.000	0,2%	12,5%
Total	799.688.859	990.483.977	1.320.361.105		-19,3%	121.792.271	119.737.018	139.577.816		1,7%

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	2019/2018	2019/2017	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 2017	2019/2018	2019/2017
SALTED	1.926.236	2.082.489	2.763.634	-7,5%	-30,3%	-	-	-	-	-
WET BLUE	206.994.565	279.114.727	404.026.726	-25,8%	-48,8%	45.147.109	39.840.277	45.271.680	13,3%	-0,3%
SPLIT WB	39.569.978	38.263.340	49.935.918	3,4%	-20,8%	-	-	-	-	-
CRUST	66.096.087	88.439.063	95.259.801	-25,3%	-30,6%	6.794.937	8.189.985	7.040.964	-17,0%	-3,5%
FINISHED	478.910.484	578.306.546	762.834.533	-17,2%	-37,2%	43.900.487	44.965.558	55.554.410	-2,4%	-21,0%
Total	793.497.350	986.206.165	1.314.820.612	-19,5%	-39,6%	95.842.533	92.995.820	107.867.054	3,1%	-11,1%

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-Aug 2019	Jan-Aug 2018	Jan-Aug 2017		2019	2019/2018	2019/2017	Jan-Aug 2019	Jan-Aug 2018		Jan-Aug 2017	2019
1 Rio Grande do Sul	210.377.650	236.919.683	254.986.146	26,3%	-11,2%	-17,5%	25.891.435	25.638.545	27.634.026	21,3%	1,0%	-6,3%
2 São Paulo	128.512.936	179.715.676	246.247.352	16,1%	-28,5%	-47,8%	17.066.967	19.725.974	24.602.236	14,0%	-13,5%	-30,6%
3 Goiás	113.712.326	149.114.832	203.601.667	14,2%	-23,7%	-44,1%	19.044.043	18.726.920	22.186.001	15,6%	1,7%	-14,2%
4 Paraná	104.746.090	102.367.980	169.691.587	13,1%	2,3%	-38,3%	20.250.975	15.564.110	18.901.135	16,6%	30,1%	7,1%
5 Bahia	47.007.242	69.262.684	83.850.878	5,9%	-32,1%	-43,9%	6.428.492	8.012.138	8.346.841	5,3%	-19,8%	-23,0%
6 Mato Grosso do Sul	45.023.330	57.208.086	69.293.659	5,6%	-21,3%	-35,0%	9.666.665	8.134.011	7.826.612	7,9%	18,8%	23,5%
7 Santa Catarina	41.815.284	56.471.026	66.074.410	5,2%	-26,0%	-36,7%	6.031.931	6.454.056	6.179.198	5,0%	-6,5%	-2,4%
8 Ceará	37.842.659	47.709.620	85.655.598	4,7%	-20,7%	-55,8%	4.179.781	4.538.269	8.000.819	3,4%	-7,9%	-47,8%
9 Minas Gerais	23.261.344	24.946.373	50.752.444	2,9%	-6,8%	-54,2%	4.032.319	3.902.949	6.758.088	3,3%	3,3%	-40,3%
10 Pará	18.970.308	34.630.866	34.553.433	2,4%	-45,2%	-45,1%	3.815.446	4.593.985	3.568.616	3,1%	-16,9%	6,9%
11 Mato Grosso	15.768.086	23.709.969	37.677.023	2,0%	-33,5%	-58,1%	3.228.454	3.468.716	3.040.620	2,7%	-6,9%	6,2%
12 Piauí	2.577.756	640.993	830.662	0,3%	302,2%	210,3%	230.578	64.269	76.547	0,2%	258,8%	201,2%
13 Tocantins	2.153.271	1.131.050	8.930.279	0,3%	90,4%	-75,9%	494.137	159.312	1.862.645	0,4%	210,2%	-73,5%
14 Amazonas	1.970.078	750.261	0	0,2%	162,6%	-	581.694	139.908	0	0,5%	315,8%	-
15 Rio de Janeiro	1.953.660	1.745.589	1.252.165	0,2%	11,9%	56,0%	61.298	36.447	4.469	0,1%	68,2%	1271,6%
16 Rondônia	1.617.381	0	0	0,2%	-	-	387.365	0	0	0,3%	-	-
17 Maranhão	641.181	1.530.086	2.571.758	0,1%	-58,1%	-75,1%	160.315	260.848	243.003	0,1%	-38,5%	-34,0%
18 Pernambuco	577.886	949.542	1.984.714	0,1%	-39,1%	-70,9%	37.009	84.685	161.982	0,0%	-56,3%	-77,2%
19 Acre	443.314	0	0	0,1%	-	-	88.713	0	0	0,07%	-	-
20 Sergipe	398.053	626.650	1.395.058	0,05%	-36,5%	-71,5%	114.446	154.911	133.479	0,1%	-26,1%	-14,3%
21 Amapá	305.169	264.653	415.842	0,04%	15,3%	-26,6%	0	0	0	0,0%	-	-
22 Espírito Santo	13.855	15.696	20.168	0,0%	-11,7%	-31,3%	208	167	178	0,0%	24,6%	16,9%
23 Not Declared*	0	772.662	576.262	0,0%	-100,0%	-100,0%	0	76.798	51.321	0,0%	-100,0%	-100,0%
Total	799.688.859	990.483.977	1.320.361.105	100,0%	-19,3%	-39,4%	121.792.271	119.737.018	139.577.816	100,0%	1,7%	-12,7%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

