



## BRAZILIAN EXPORTS OF HIDES AND SKINS

SEPTEMBER 2019



## SUMMARY

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ANY PART OF THIS REPORT MAY BE REPRODUCED, SINCE ITS SOURCE IS MENTIONED AS: SECEX - PREPARED BY CICB

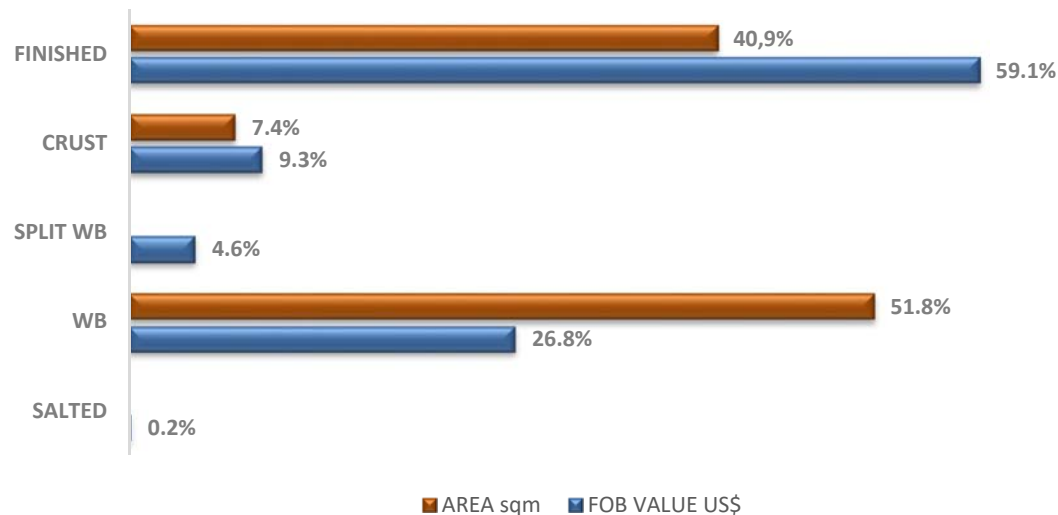
## 1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

SEPTEMBER 2019

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of September 2019, registered the amount of US\$ 80.8 million, down 28.1% year-on-year, when total exports were US\$ 112.3 million, and also lower 6.3% compared to August, when amount was US\$ 86.3 million.

Considering exports in square meters, in September were shipped 13.6 million, down 12.3% over same month of 2018, when total was 15.6 million. From January to September, exported area is 0.1% higher than 2018.

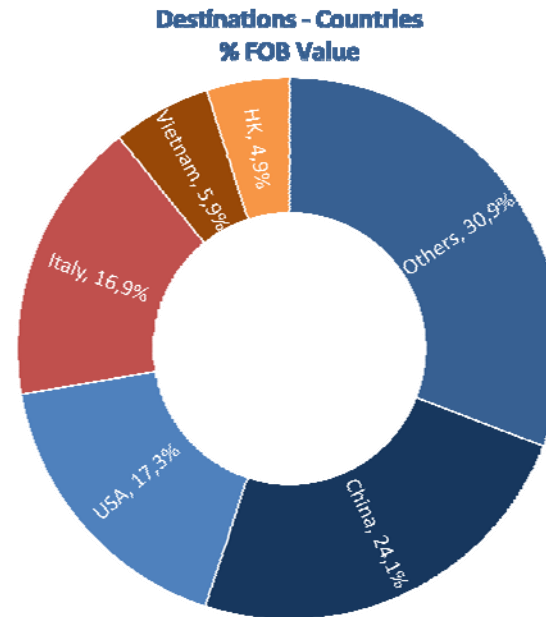
Profile of September 2019 exports is the following:



These are the variations of the Brazilian exports of bovine hides, considering January to September, year-on-year:

- Salted hides down 14.4% in value and up 7.8% in weight;
- Wet Blue declined 27.4% in value, but were up 9.5% in area;
- Split WB higher 3.8% in value, but down 2.9% in area;
- Crust was lower 26.4% in value and 20.3% in area;
- Finished leather also lower 17.6% in value and 3.3% in area.

Below are destinations from January to September 2019:



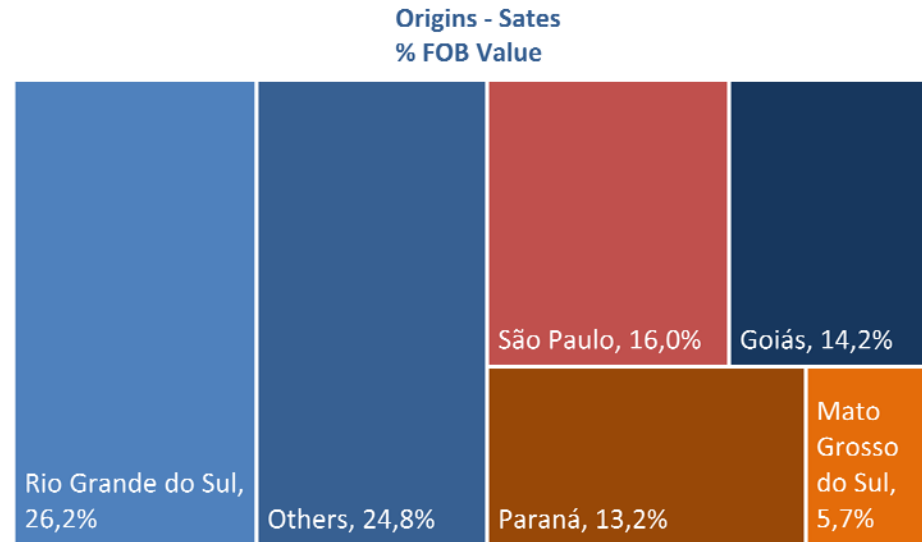
Below are some highlights of the results in 2019 for the three main destinations for Brazilian leather:

- China, with share of 24.1% in value, grew 4.8% in trade area (before +3.8%), however decreased 26.7% (-23.9%) in value;
- USA, with share of 17.3% in value, had reduction of 7.6% (-9.3%) in area and down 17.9% (-19.4%) in value;
- Italy, with share of 16.9% (17.0%) in value, now has reduction of 6.4% (+1.1%) in trade area, and also down 20.7% (-14.8%) considering value.

If we consider the performance of the three main markets for Brazilian leather compared to same period of 2018, Italy has been decreasing its share and worsening the buying performance of Brazilian leather. On the other hand, China shows an increase in volume with consequent improvement in the share of this item.

Other countries considered important players in the leather trade and also some of the target markets for the Brazilian Leather project show the following performance: Vietnam, with -9.9% in value and -10.3% in area; Germany, with significant increase of +75.5% in value and +118.2% in area; Hong Kong with +31.9% in area but still down 24.3% in value; Mexico, growing 20.8% in area and 1.4% in value; India with +36.2% in value and +90.4% in area; South Korea with +2.7% in area, but down 18.7% in value; and finally, Spain with +12.5% in value and +8.2% in area.

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



Some highlights considering exporting states:

- Paraná, which was the only state among the best performances that showed value increase until August (+2.3%), now also starts to fall, with -1.8%; other negative highlights in value: São Paulo (-28.7%), Goiás (-26.6%), Bahia (-31.6%), Santa Catarina (-27.2%), and Pará (-43.6%).

- Rio Grande do Sul remains leader in shipments considering value and area, with share of 26.2% and 21.3%, respectively. São Paulo remains in second considering value, with 16.0% share, but losing in volume to Paraná (16.6%) and Goiás (15.6%). Goiás, therefore, is the fourth in volume, but the third in shipped value.

- With lower share, Piauí (+254.9%) and now Tocantins (+140.6%), still showing significant growth in value.

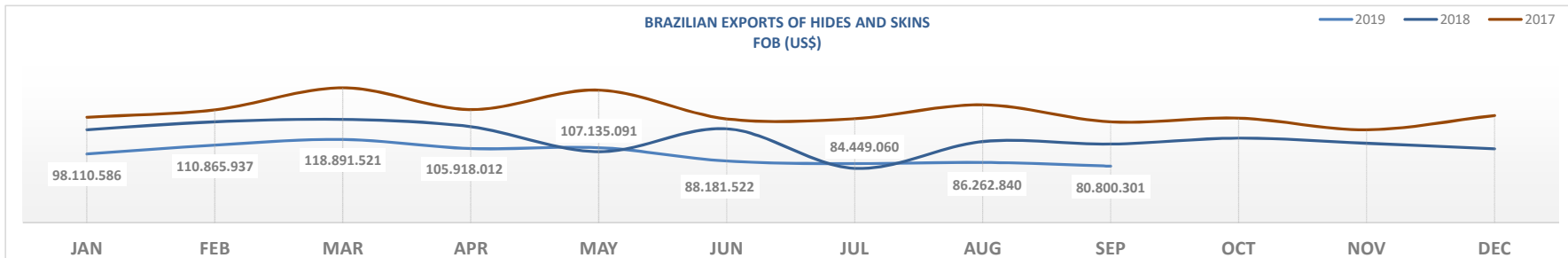
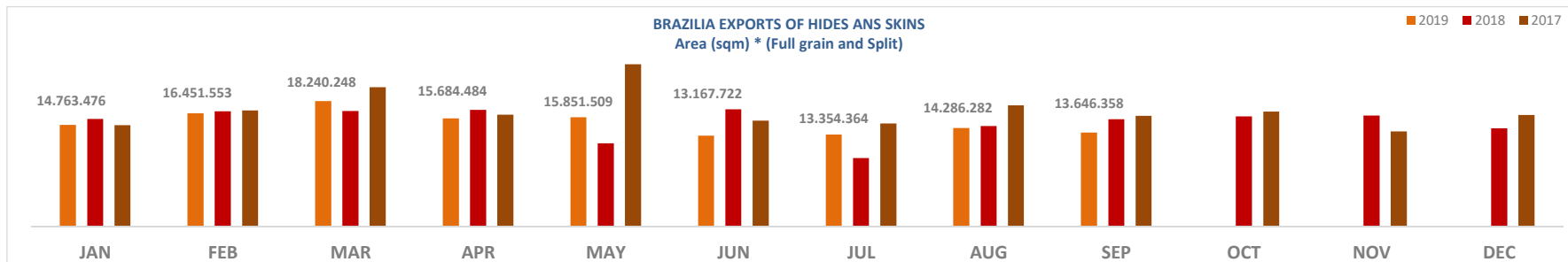
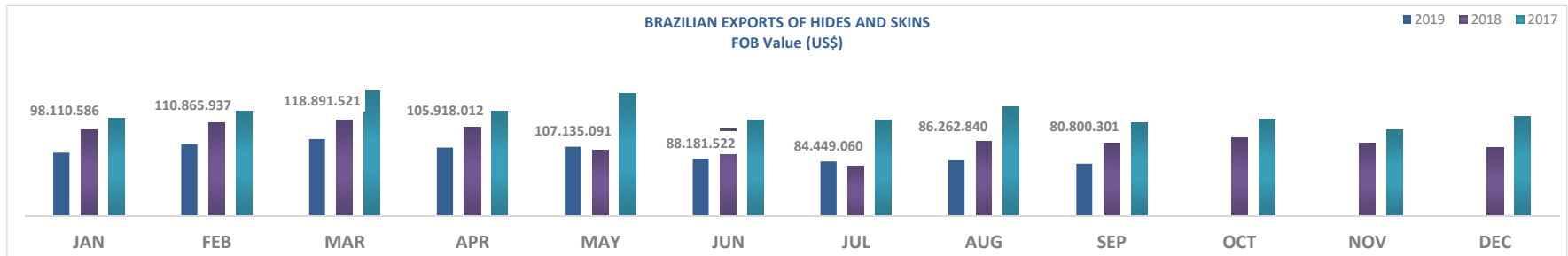
The export situation this year continues with unfavorable results to the sector, despite the stability in trade area (+0,1%). The reduction in prices is evident, as shown in the report on page 20, with even greater emphasis on the Wet Blue stage, which reached -29.1% in the year. The volume of Wet Blue decelerated in September, but still reflecting the higher volume in total exports, which adds to the falling prices in the year also of Finished leather (-13.3%) and Semi-finished (-6.5%). -

## 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          | 105.918.012        | 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          | 107.135.091        | 101.387.567          | 189.315.724          | 1,1%       | 5,7%          | -43,4%        | 15.851.509         | 12.060.974         | 23.563.932         | 1,1%       | 31,4%       | -32,7%        |
| JUN          | 88.181.522         | 134.092.407          | 148.251.832          | -17,7%     | -34,2%        | -40,5%        | 13.167.722         | 17.040.148         | 15.371.874         | -16,9%     | -22,7%      | -14,3%        |
| 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          | 86.262.840         | 115.879.312          | 168.323.058          | 2,1%       | -25,6%        | -48,8%        | 14.286.282         | 14.602.513         | 17.618.510         | 7,0%       | -2,2%       | -18,9%        |
| SEP          | 80.800.301         | 112.331.092          | 144.028.851          | -6,3%      | -28,1%        | -43,9%        | 13.646.358         | 15.567.194         | 16.067.572         | -4,5%      | -12,3%      | -15,1%        |
| 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         |            |             |               |
| <b>Total</b> | <b>880.614.870</b> | <b>1.442.564.795</b> | <b>1.899.502.493</b> |            | <b>-20,1%</b> | <b>-39,9%</b> | <b>135.445.996</b> | <b>181.657.880</b> | <b>202.337.343</b> |            | <b>0,1%</b> | <b>-13,0%</b> |

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         | 255.855.269        | 346.569.966          | 454.936.539          | 29,1%    | -26,2%        | 50.321.556         | 46.940.996         | 50.948.794         | 5,7%     | 7,2%        |
| China                       | 212.469.960        | 289.948.283          | 390.325.876          | 24,1%    | -26,7%        | 44.824.639         | 42.774.602         | 43.372.266         | 5,1%     | 4,8%        |
| 2 United States             | 152.299.011        | 185.491.832          | 226.086.541          | 17,3%    | -17,9%        | 12.784.592         | 13.837.179         | 14.274.494         | 1,5%     | -7,6%       |
| 3 Italy                     | 149.033.859        | 188.021.942          | 263.234.362          | 16,9%    | -20,7%        | 26.667.374         | 28.485.559         | 31.473.752         | 3,0%     | -6,4%       |
| 4 Vietnam                   | 51.577.756         | 57.229.451           | 103.036.840          | 5,9%     | -9,9%         | 10.098.135         | 11.259.371         | 24.045.954         | 1,1%     | -10,3%      |
| 5 Germany                   | 48.721.918         | 27.768.023           | 38.748.775           | 5,5%     | 75,5%         | 4.331.931          | 1.985.577          | 2.626.289          | 0,5%     | 118,2%      |
| Hong Kong                   | 43.385.309         | 56.621.683           | 64.610.663           | 4,9%     | -23,4%        | 5.496.917          | 4.166.394          | 7.576.528          | 0,6%     | 31,9%       |
| 6 Mexico                    | 31.204.369         | 30.776.179           | 32.309.070           | 3,5%     | 1,4%          | 2.684.061          | 2.221.696          | 1.988.446          | 0,3%     | 20,8%       |
| 7 Thailand                  | 25.721.600         | 39.382.018           | 48.963.825           | 2,9%     | -34,7%        | 2.586.689          | 3.633.183          | 3.680.410          | 0,3%     | -28,8%      |
| 8 Taiwan                    | 18.703.261         | 20.900.470           | 19.482.324           | 2,1%     | -10,5%        | 7.203.665          | 7.448.109          | 4.669.940          | 0,8%     | -3,3%       |
| 9 India                     | 16.221.277         | 11.912.217           | 10.894.649           | 1,8%     | 36,2%         | 4.731.529          | 2.484.621          | 1.686.974          | 0,5%     | 90,4%       |
| 10 Hungary                  | 15.923.581         | 52.061.967           | 83.506.823           | 1,8%     | -69,4%        | 1.237.194          | 3.784.555          | 5.187.925          | 0,1%     | -67,3%      |
| 11 South Korea              | 12.547.480         | 15.429.466           | 37.709.313           | 1,4%     | -18,7%        | 1.820.761          | 1.773.528          | 3.060.583          | 0,2%     | 2,7%        |
| 12 Indonesia                | 9.984.938          | 19.002.883           | 23.050.846           | 1,1%     | -47,5%        | 990.603            | 1.482.331          | 1.791.663          | 0,1%     | -33,2%      |
| 13 Netherlands              | 8.753.523          | 10.042.755           | 10.906.086           | 1,0%     | -12,8%        | 982.899            | 883.007            | 816.927            | 0,1%     | 11,3%       |
| 14 Uruguay                  | 7.523.919          | 11.362.197           | 12.655.017           | 0,9%     | -33,8%        | 725.763            | 881.669            | 830.756            | 0,1%     | -17,7%      |
| 15 Malaysia                 | 6.212.857          | 9.267.134            | 6.076.517            | 0,7%     | -33,0%        | 555.948            | 630.200            | 372.740            | 0,1%     | -11,8%      |
| 16 Norway                   | 6.111.219          | 9.577.510            | 12.836.027           | 0,7%     | -36,2%        | 409.490            | 579.705            | 676.843            | 0,0%     | -29,4%      |
| 17 Portugal                 | 5.991.074          | 7.405.272            | 7.953.687            | 0,7%     | -19,1%        | 776.442            | 869.344            | 798.396            | 0,09%    | -10,7%      |
| 18 Tunisia                  | 5.433.976          | 4.244.026            | 4.698.992            | 0,6%     | 28,0%         | 337.539            | 220.129            | 257.198            | 0,04%    | 53,3%       |
| 19 France                   | 4.490.402          | 2.427.479            | 1.392.308            | 0,5%     | 85,0%         | 194.718            | 107.783            | 103.774            | 0,02%    | 80,7%       |
| 20 Spain                    | 4.329.911          | 3.849.275            | 3.451.504            | 0,5%     | 12,5%         | 1.076.216          | 994.524            | 1.120.683          | 0,12%    | 8,2%        |
| 21 Canada                   | 3.916.007          | 4.702.159            | 4.999.112            | 0,4%     | -16,7%        | 222.578            | 266.555            | 257.005            | 0,0%     | -16,5%      |
| 22 South Africa             | 3.604.507          | 6.677.949            | 14.307.179           | 0,4%     | -46,0%        | 513.692            | 652.780            | 1.216.031          | 0,06%    | -21,3%      |
| 23 United Kingdom           | 3.142.088          | 2.758.447            | 2.918.852            | 0,4%     | 13,9%         | 342.659            | 247.550            | 356.975            | 0,04%    | 38,4%       |
| 24 Argentina                | 3.103.143          | 2.830.692            | 2.950.484            | 0,4%     | 9,6%          | 245.714            | 243.231            | 197.954            | 0,03%    | 1,0%        |
| 25 Dominican Republic       | 2.572.523          | 3.915.429            | 6.544.141            | 0,3%     | -34,3%        | 367.867            | 373.451            | 460.700            | 0,04%    | -1,5%       |
| 26 Paraguay                 | 2.287.783          | 2.082.871            | 3.883.082            | 0,3%     | 9,8%          | 400.640            | 298.709            | 495.777            | 0,05%    | 34,1%       |
| 27 Cambodia                 | 2.018.897          | 1.159.703            | 835.673              | 0,2%     | 74,1%         | 251.982            | 452.982            | 247.590            | 0,03%    | -44,4%      |
| 28 Chile                    | 1.915.815          | 1.748.975            | 2.531.721            | 0,2%     | 9,5%          | 216.264            | 170.115            | 237.124            | 0,02%    | 27,1%       |
| 29 Australia                | 1.905.649          | 3.445.716            | 3.635.688            | 0,2%     | -44,7%        | 144.160            | 204.396            | 204.721            | 0,02%    | -29,5%      |
| 30 Denmark                  | 1.554.547          | 2.014.324            | 1.919.401            | 0,2%     | -22,8%        | 110.578            | 126.070            | 112.492            | 0,01%    | -12,3%      |
| Other (2019: +50 countries) | 17.952.711         | 18.756.742           | 17.934.578           | 2,0%     | -4,3%         | 2.112.757          | 1.765.307          | 1.446.478          | 0,2%     | 19,7%       |
| <b>Total</b>                | <b>880.614.870</b> | <b>1.102.815.069</b> | <b>1.464.389.956</b> |          | <b>-20,1%</b> | <b>135.445.996</b> | <b>135.304.212</b> | <b>155.645.388</b> |          | <b>0,1%</b> |

Source: MDIC/SECEX - Prepared by: CICB

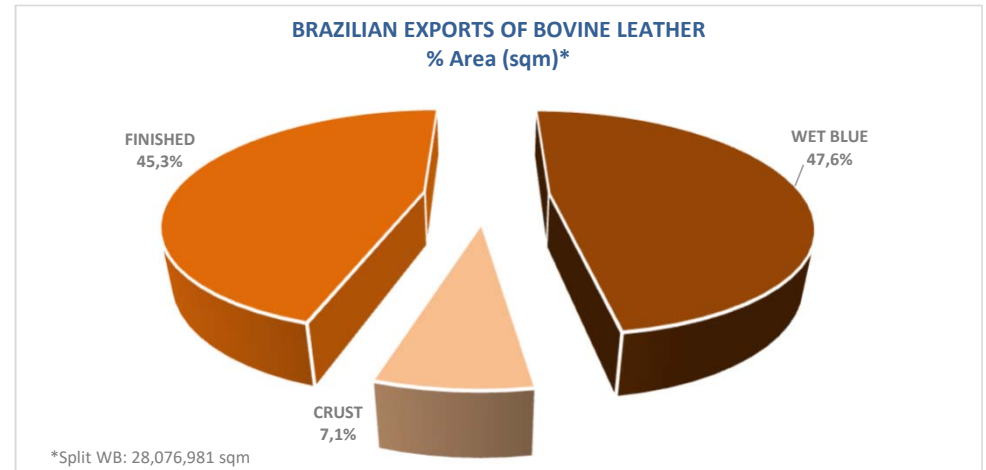
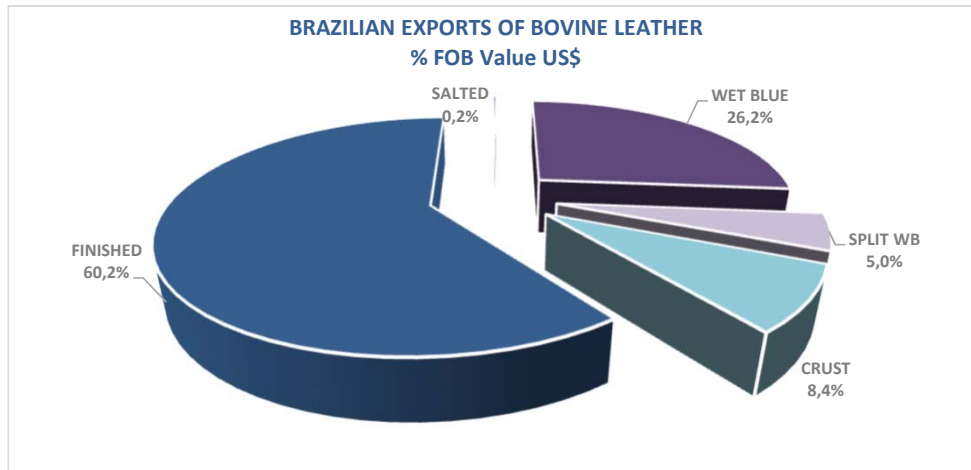
\*Area including Full grain and Split

## 4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

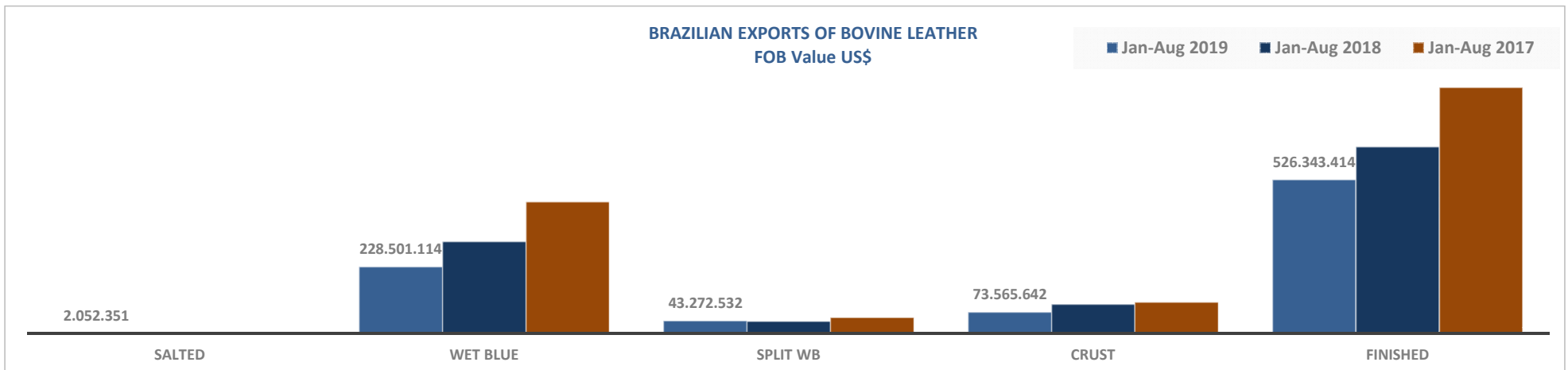
| TYPE OF LEATHER | FOB VALUE (US\$)   |                      |                      | Δ             |               | AREA (sqm)*        |                    |                    | Δ           |               |
|-----------------|--------------------|----------------------|----------------------|---------------|---------------|--------------------|--------------------|--------------------|-------------|---------------|
|                 | Jan-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          | 2.052.351          | 2.397.470            | 2.945.649            | -14,4%        | -30,3%        | -                  | -                  | -                  | -           | -             |
| WET BLUE        | 228.501.114        | 314.831.254          | 450.523.058          | -27,4%        | -49,3%        | 50.925.473         | 46.490.096         | 51.692.979         | 9,5%        | -1,5%         |
| SPLIT WB        | 43.272.532         | 41.698.408           | 55.193.281           | 3,8%          | -21,6%        | -                  | -                  | -                  | -           | -             |
| CRUST           | 73.565.642         | 99.911.582           | 107.642.394          | -26,4%        | -31,7%        | 7.621.773          | 9.561.463          | 8.026.094          | -20,3%      | -5,0%         |
| FINISHED        | 526.343.414        | 639.030.456          | 841.883.339          | -17,6%        | -37,5%        | 48.465.771         | 50.124.847         | 60.916.480         | -3,3%       | -20,4%        |
| <b>Total</b>    | <b>873.735.053</b> | <b>1.097.869.170</b> | <b>1.458.187.721</b> | <b>-20,4%</b> | <b>-40,1%</b> | <b>107.013.017</b> | <b>106.176.406</b> | <b>120.635.553</b> | <b>0,8%</b> | <b>-11,3%</b> |

Source: MDIC/SECEX - Prepared by: CICB

\*Only full grain



\*Split WB: 28,076,981 sqm





5 - BRAZILIAN EXPORTS  
OF HIDES AND SKINS BY STATE

|                      | FOB VALUE (US\$)   |                      |                      | Share<br>2019 | Δ             |               | AREA* (sqm)        |                    |                    | Share<br>2019 | 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     |
| 1 Rio Grande do Sul  | 230.364.150        | 263.921.311          | 282.127.955          | 26,2%         | -12,7%        | -18,3%        | 25.891.435         | 25.638.545         | 27.634.026         | 21,3%         | 1,0%        | -6,3%         |
| 2 São Paulo          | 141.105.605        | 197.934.428          | 273.148.408          | 16,0%         | -28,7%        | -48,3%        | 17.066.967         | 19.725.974         | 24.602.236         | 14,0%         | -13,5%      | -30,6%        |
| 3 Goiás              | 124.657.259        | 169.912.418          | 226.680.001          | 14,2%         | -26,6%        | -45,0%        | 19.044.043         | 18.726.920         | 22.186.001         | 15,6%         | 1,7%        | -14,2%        |
| 4 Paraná             | 116.157.402        | 118.313.171          | 192.628.986          | 13,2%         | -1,8%         | -39,7%        | 20.250.975         | 15.564.110         | 18.901.135         | 16,6%         | 30,1%       | 7,1%          |
| 5 Mato Grosso do Sul | 49.856.984         | 64.064.869           | 76.977.942           | 5,7%          | -22,2%        | -35,2%        | 6.428.492          | 8.012.138          | 8.346.841          | 5,3%          | -19,8%      | -23,0%        |
| 6 Bahia              | 49.432.621         | 72.304.921           | 92.380.317           | 5,6%          | -31,6%        | -46,5%        | 9.666.665          | 8.134.011          | 7.826.612          | 7,9%          | 18,8%       | 23,5%         |
| 7 Santa Catarina     | 46.705.487         | 64.166.822           | 72.832.594           | 5,3%          | -27,2%        | -35,9%        | 6.031.931          | 6.454.056          | 6.179.198          | 5,0%          | -6,5%       | -2,4%         |
| 8 Ceará              | 41.868.984         | 50.951.648           | 95.788.380           | 4,8%          | -17,8%        | -56,3%        | 4.179.781          | 4.538.269          | 8.000.819          | 3,4%          | -7,9%       | -47,8%        |
| 9 Minas Gerais       | 25.659.238         | 27.175.550           | 54.460.889           | 2,9%          | -5,6%         | -52,9%        | 4.032.319          | 3.902.949          | 6.758.088          | 3,3%          | 3,3%        | -40,3%        |
| 10 Pará              | 21.357.186         | 37.872.489           | 38.342.171           | 2,4%          | -43,6%        | -44,3%        | 3.815.446          | 4.593.985          | 3.568.616          | 3,1%          | -16,9%      | 6,9%          |
| 11 Mato Grosso       | 19.301.507         | 25.604.277           | 39.729.297           | 2,2%          | -24,6%        | -51,4%        | 3.228.454          | 3.468.716          | 3.040.620          | 2,7%          | -6,9%       | 6,2%          |
| 12 Tocantins         | 2.721.016          | 1.131.050            | 9.416.822            | 0,3%          | 140,6%        | -71,1%        | 230.578            | 64.269             | 76.547             | 0,2%          | 258,8%      | 201,2%        |
| 13 Piauí             | 2.664.208          | 750.661              | 1.079.728            | 0,3%          | 254,9%        | 146,7%        | 494.137            | 159.312            | 1.862.645          | 0,4%          | 210,2%      | -73,5%        |
| 14 Amazonas          | 2.164.800          | 1.479.622            | 0                    | 0,2%          | 46,3%         | -             | 581.694            | 139.908            | 0                  | 0,5%          | 315,8%      | -             |
| 15 Rio de Janeiro    | 2.150.863          | 2.172.433            | 1.521.349            | 0,2%          | -1,0%         | 41,4%         | 61.298             | 36.447             | 4.469              | 0,1%          | 68,2%       | 1271,6%       |
| 16 Rondônia          | 1.815.981          | 0                    | 0                    | 0,2%          | -             | -             | 387.365            | 0                  | 0                  | 0,3%          | -           | -             |
| 17 Pernambuco        | 786.132            | 1.129.562            | 2.097.534            | 0,1%          | -30,4%        | -62,5%        | 160.315            | 260.848            | 243.003            | 0,1%          | -38,5%      | -34,0%        |
| 18 Maranhão          | 641.181            | 2.051.172            | 2.727.891            | 0,1%          | -68,7%        | -76,5%        | 37.009             | 84.685             | 161.982            | 0,0%          | -56,3%      | -77,2%        |
| 19 Acre              | 457.398            | 0                    | 0                    | 0,1%          | -             | -             | 88.713             | 0                  | 0                  | 0,07%         | -           | -             |
| 20 Sergipe           | 398.053            | 797.695              | 1.395.058            | 0,05%         | -50,1%        | -71,5%        | 114.446            | 154.911            | 133.479            | 0,1%          | -26,1%      | -14,3%        |
| 21 Amapá             | 334.960            | 289.456              | 415.842              | 0,04%         | 15,7%         | -19,5%        | 0                  | 0                  | 0                  | 0,0%          | -           | -             |
| 22 Espírito Santo    | 13.855             | 18.852               | 20.168               | 0,0%          | -26,5%        | -31,3%        | 208                | 167                | 178                | 0,0%          | 24,6%       | 16,9%         |
| 23 Not Declared*     | 0                  | 772.662              | 618.624              | 0,0%          | -100,0%       | -100,0%       | 0                  | 76.798             | 51.321             | 0,0%          | -100,0%     | -100,0%       |
| <b>Total</b>         | <b>880.614.870</b> | <b>1.102.815.069</b> | <b>1.464.389.956</b> | <b>100,0%</b> | <b>-20,1%</b> | <b>-39,9%</b> | <b>121.792.271</b> | <b>119.737.018</b> | <b>139.577.816</b> | <b>100,0%</b> | <b>1,7%</b> | <b>-12,7%</b> |

Source: MDIC/SECEX - Prepared by: CICB

\*Exporter did not declare the state of origin

