



BRAZILIAN EXPORTS OF HIDES AND SKINS

SEPTEMBER 2020

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1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

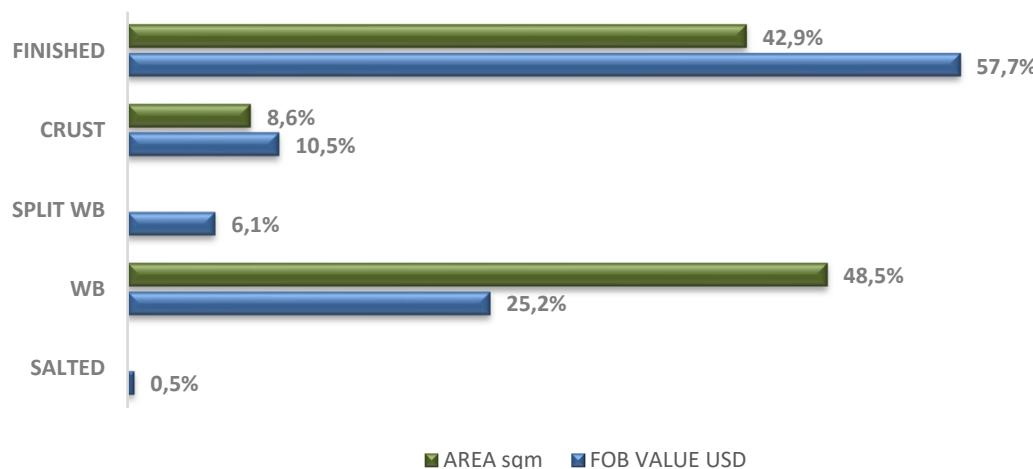
SEPTEMBER 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of September 2020, amounted to US\$ 83.7 million, down 7.6% year-on-year, when US\$ 90.6 million worth was exported, however an increase of 5.4% compared to August, when total was US\$ 79.4 million.

Considering exports in square meters, during September were shipped 16.0 million, up 4.5% year-on-year, and also higher 6.8% than August, when total was 15.0 million.

The period from January to September of 2020 ended with a total of US\$ 679.6 million, down 24.7% compared to the same period of 2019, and also 12.6% below in traded area, with 121.3 million square meters.

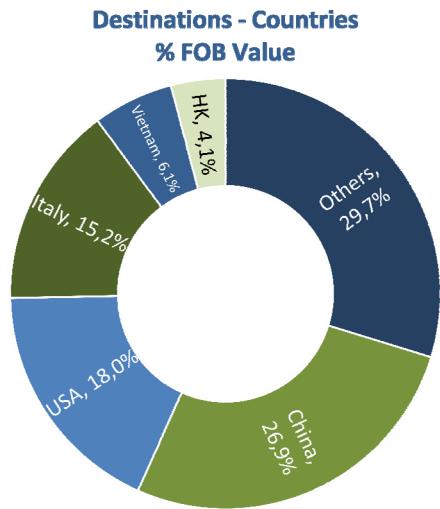
Below is the profile of 2020's bovine exports till September:



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

- Salted hides higher 56.9% (previous +41.2%) in value, and also +188.6% (+186.1%) in weight;
- Wet Blue declined 27.0% (-30.2%) in value and 12.6% (-15.0%) in area;
- Split WB down 7.3% (-8.4%) in value and also down 4.8% (-7.2%) in area;
- Crust with value down 5.9% (-4.2%), but higher 2.4% (+4.0%) in area;
- Finished leather lower 28.1% (-29.8%) in value and also down 19.6% (-21.7%) in area.

Below are the 2020 destinations:



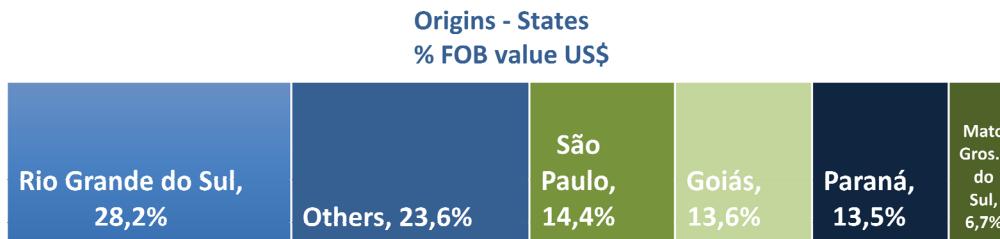
These are highlights from January to September of 2020 for the three main destinations for Brazilian leather:

- China, with share of 26.9% (previous 26.8%) in value and 34.3% (previous same 34.3%) in area, down 9.6% (-10.6%) in traded area and also -15.8% (-17.7%) in value;
- US, with share of 18.0% (18.3%) in value and 9.2% (9.4%) in area, down 15.8% (-14.7%) in area and -22.4% (-21.7%) in value;
- Italy, with share of 15.2% (14.8%) in value and 18.8% (18.4%) in area, has reduction of 16.1% (-19.6%) in traded area, and also down 32.1% (-35.8%) considering value.

Shipments to China and Italy improved in September compared to previous period. The resumption of business in Europe, after the summer holidays, is already demonstrated in the improvement in business with Italy and some other important European markets for Brazilian leather, such as Hungary and Portugal. In Asia, China confirms that the market continues with important demands for automotive and furniture upholstery, and keeps recovering compared to previous months.

As an analysis of other countries considered important players in the leather trade, we highlight the following: Vietnam, in 4th place in the ranking (6.1% value share), shows increase of 7.8% (+2.3%) in area, but fall of 21.9% (-26.2%) in value; Germany, resuming 5th place, with share of 4.1% in value, down 37.8% (-37.0%) in area and also down 43.4% (-43.6%) in value; Hong Kong, which now improves area growth to 21.6% (+15.5%), still has drop in value of 38.2% (-39.6%); and Mexico, with share of 3.8% in value, now shows a decline of 10.2% (-11.4%) in area, and also down 18.6% (-17.2%) in value. Among the TOP30 destinations, positive exports' highlights still go to Poland (+145.5% in value and +196.7% in area), and to Lithuania (+54.4% in value and +48.9% in area).

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



Some highlights considering exporting states:

- Negative impacts in value remain among all ten states with the highest exports in the country, but now Bahia has shown recovery and joins Mato Grosso do Sul in the positive results in traded area: +6.7% and 3.7%, respectively;
- Still among the TOP10, the value indexes have shown improvements in the year to September in most states, compared to the accumulated result for the previous month. Only Goiás had a worsening result: previous -27.9% and now is -28.0%. The most significant drops are: Ceará, with -45.1% (previous -47.5%); São Paulo, with -32.1% (-34.1%); Goiás, with -28.0% (-27.9%); Santa Catarina, with -25.2% (-25.7%); Pará, with -24.1% (-25.3%); and Paraná, with -23.2% (-26.0%);
- The state of Rio Grande do Sul maintains its leadership in exports, even with a small drop in share. Now it has a 28.2% share in value (previous 28.3%). São Paulo remains in second place in value (share of 14.4%), and fourth in area (share of 11.9%); Goiás is third in value (13.6%) and area (13.7%); and Paraná remains in fourth place in value, with 13.5%, however second in area, with 16.4%;
- The most expressive growth among all states remains in Acre, with +361.5% in value and +505.6% in area, ranking 13th.

Among the three main Brazilian leather markets, only the United States worsened in September shipments compared to the result until August. The other two destinations continue to improve each month. China and Italy are recovering between 1 and 3 percentage points, both in value and area, with each passing month, reducing the accumulated declines in the year.

The exports of September had a smaller growth (+5.4%) when compared to the results of July (+36.8%) and August (+20.0%) over the previous month, however it was the month that came closest to the values of 2019. The reduction was still 7.6% y-o-y however, for the first time in the year the traded area exceeded the corresponding month: +4.5%. Despite the accumulated total value of the year still being negative (-24.7%), September shows an important resistance for a period of still many uncertainties and demand with only gradual improvement. The Wet Blue leather prices show recovery, with September values very close to January this year. Considering Crust and Finished leather, the price indexes are stable compared to the previous month, curbing the propensities that have been occurring in recent months.

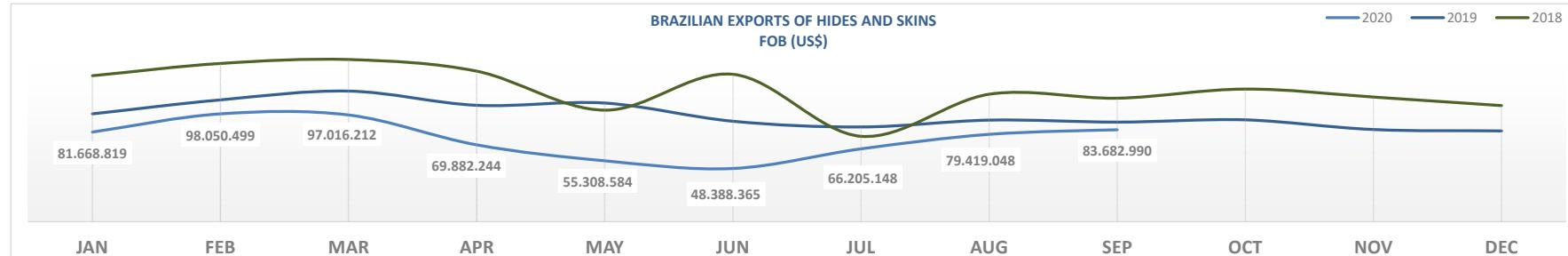
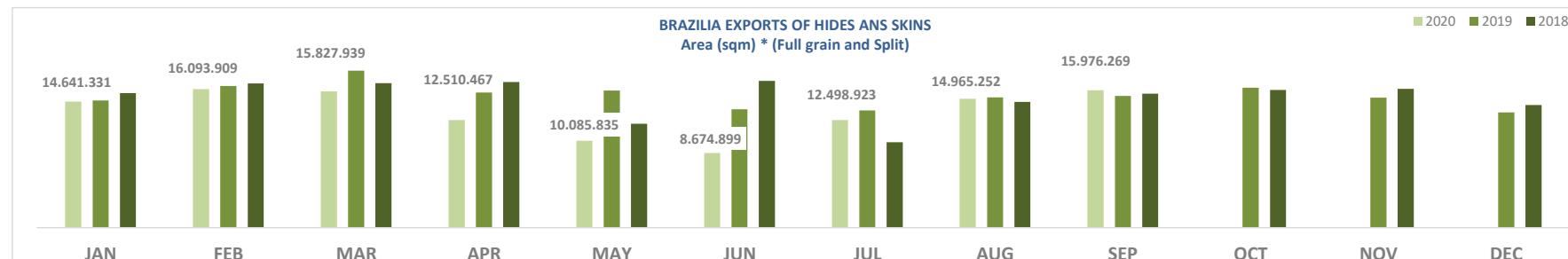
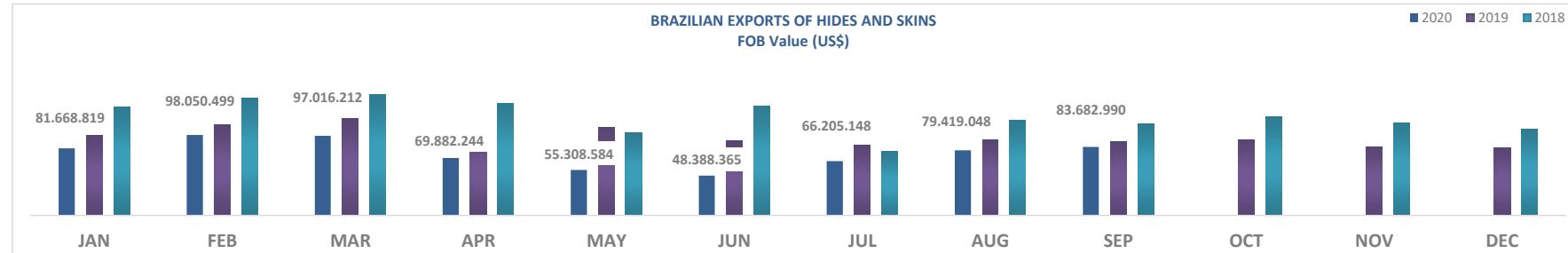
The third quarter of the year ended with accumulated declines in values and volumes, but the monthly recovery of exports, in addition to the improvements in prices, indicate the coming months may overcome the values of corresponding months of 2019. -

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%	15.827.939	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%	8.674.899	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%	12.498.923	13.605.791	9.931.991	44,1%	-8,1%	25,8%
AUG	79.419.048	92.351.955	115.879.312	20,0%	-14,0%	-31,5%	14.965.252	15.124.597	14.602.513	19,7%	-1,1%	2,5%
SEP	83.682.990	90.587.484	112.331.092	5,4%	-7,6%	-25,5%	15.976.269	15.293.740	15.567.193	6,8%	4,5%	2,6%
OCT		92.618.708	120.783.613					16.274.932	15.996.795			
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	679.621.909	1.161.004.631	1.442.564.795		-24,7%	-38,4%	121.274.824	183.549.961	181.636.952		-12,6%	-10,4%

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-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Share 20	2020/2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Share 20	2020/2019
1 China + Hong Kong	210.630.979	262.092.869	346.569.966	31,0%	-19,6%	48.473.712	51.658.319	46.940.996	40,0%	-6,2%
China	182.901.205	217.227.449	289.948.283	26,9%	-15,8%	41.615.971	46.017.263	42.774.602	34,3%	-9,6%
2 United States	122.526.260	157.895.223	185.491.832	18,03%	-22,4%	11.171.297	13.267.064	13.837.179	9,2%	-15,8%
3 Italy	103.122.566	151.778.209	188.021.942	15,17%	-32,1%	22.816.208	27.182.108	28.485.559	18,8%	-16,1%
4 Vietnam	41.168.369	52.712.236	57.229.451	6,1%	-21,9%	11.154.780	10.347.392	11.259.371	9,2%	7,8%
5 Germany	27.950.176	49.389.885	27.768.023	4,1%	-43,4%	2.731.366	4.391.290	1.985.577	2,3%	-37,8%
Hong Kong	27.729.774	44.865.420	56.621.683	4,1%	-38,2%	6.857.741	5.641.056	4.166.394	5,7%	21,6%
6 Mexico	25.705.595	31.581.761	30.776.179	3,78%	-18,6%	2.444.472	2.721.294	2.220.140	2,0%	-10,2%
7 Thailand	20.432.324	26.639.599	39.382.018	3,0%	-23,3%	2.217.219	2.662.746	3.614.119	1,8%	-16,7%
8 Hungary	15.870.560	16.611.512	52.061.967	2,3%	-4,5%	1.402.490	1.288.457	3.784.555	1,2%	8,9%
9 Taiwan	14.137.422	18.966.708	20.900.470	2,1%	-25,5%	5.433.185	7.408.251	7.448.109	4,5%	-26,7%
10 India	10.974.630	16.408.859	11.912.217	1,6%	-33,1%	3.306.036	4.800.562	2.484.621	2,7%	-31,1%
11 Indonesia	9.868.548	10.498.961	19.002.883	1,5%	-6,0%	1.177.911	1.039.078	1.482.331	1,0%	13,4%
12 South Korea	9.285.974	12.926.647	15.429.466	1,4%	-28,2%	1.259.618	1.876.449	1.773.528	1,0%	-32,9%
13 Netherlands	7.164.659	9.059.095	10.042.755	1,1%	-20,9%	804.050	1.017.702	883.006	0,7%	-21,0%
14 Norway	7.053.978	6.111.219	9.577.510	1,0%	15,4%	513.505	409.491	579.705	0,4%	25,4%
15 Tunisia	5.299.832	5.528.074	4.244.026	0,8%	-4,1%	344.105	343.120	220.129	0,3%	0,3%
16 Uruguay	4.214.409	7.672.578	11.362.197	0,6%	-45,1%	531.527	735.799	881.669	0,4%	-27,8%
17 Canada	3.243.942	3.964.268	4.702.159	0,5%	-18,2%	226.517	224.827	266.555	0,2%	0,8%
18 Portugal	3.214.680	6.088.774	7.405.272	0,5%	-47,2%	449.740	791.584	869.344	0,4%	-43,2%
19 Poland	3.176.116	1.293.475	1.870.652	0,5%	145,5%	332.609	112.099	170.842	0,3%	196,7%
20 Malaysia	2.908.272	6.212.857	9.267.134	0,4%	-53,2%	231.403	555.948	630.200	0,2%	-58,4%
21 Argentina	2.594.038	3.434.689	2.830.692	0,4%	-24,5%	359.407	265.221	243.231	0,3%	35,5%
22 United Kingdom	2.165.158	3.165.688	2.758.447	0,3%	-31,6%	233.216	343.306	247.550	0,2%	-32,1%
23 South Africa	2.108.076	3.614.439	6.677.949	0,3%	-41,7%	381.155	515.156	652.780	0,3%	-26,0%
24 Macau	1.970.672	0	169.620	0,3%	-	396.049	0	26.187	0,3%	-
25 Spain	1.825.017	4.407.266	3.849.275	0,3%	-58,6%	467.423	1.109.785	994.524	0,4%	-57,9%
26 Lithuania	1.757.190	1.138.334	1.186.588	0,3%	54,4%	116.766	78.425	67.866	0,1%	48,9%
27 Cambodia	1.533.672	2.029.122	1.159.703	0,2%	-24,4%	199.817	252.330	452.982	0,2%	-20,8%
28 Chile	1.521.798	1.957.113	1.748.975	0,2%	-22,2%	206.174	226.388	170.115	0,2%	-8,9%
29 Denmark	1.484.399	1.554.547	2.014.324	0,2%	-4,5%	117.937	110.578	126.070	0,1%	6,7%
30 France	1.295.490	4.554.673	2.427.479	0,2%	-71,6%	67.803	197.020	107.783	0,1%	-65,6%
Others (2020: +50 countries)	13.417.108	22.712.264	24.973.898	2,0%	-40,9%	1.707.327	2.878.563	2.376.868	1,4%	-40,7%
Total	679.621.909	902.000.944	1.102.815.069		-24,7%	121.274.824	138.810.352	135.283.491		-12,6%

Source: MDIC/SECEX - Prepared by: CICB

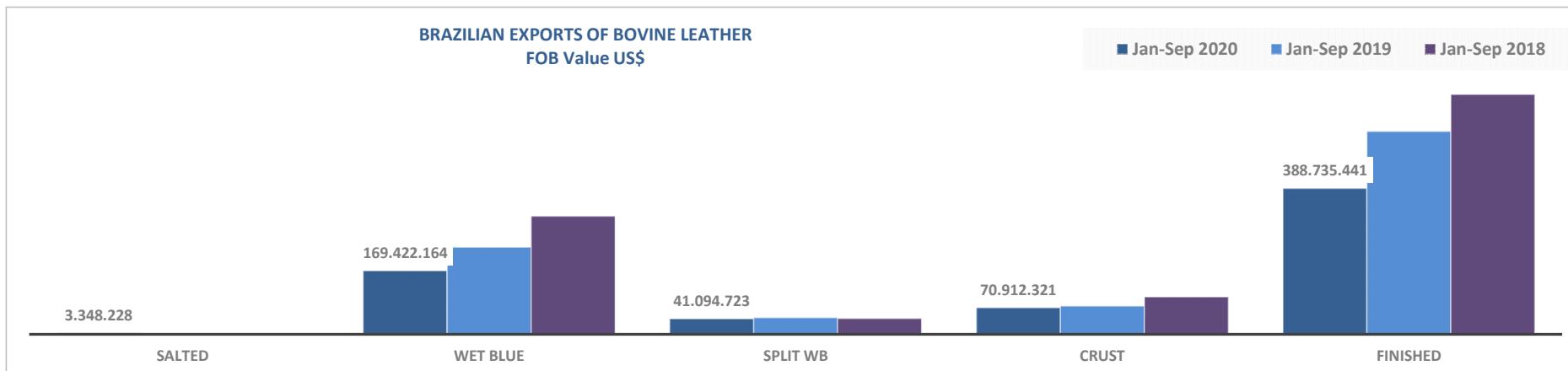
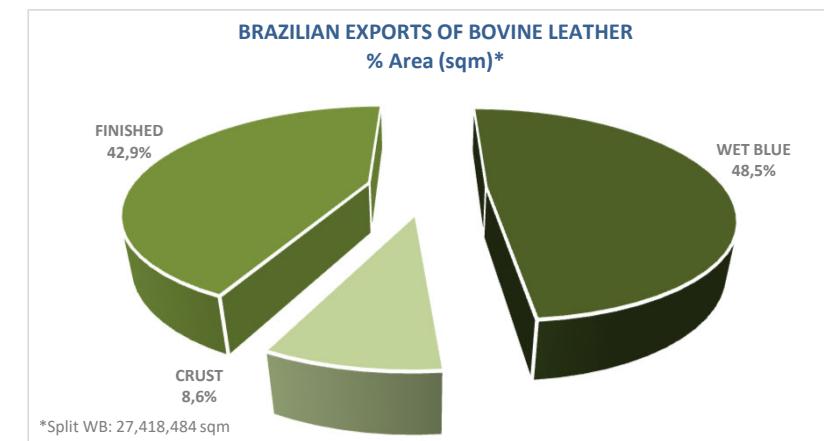
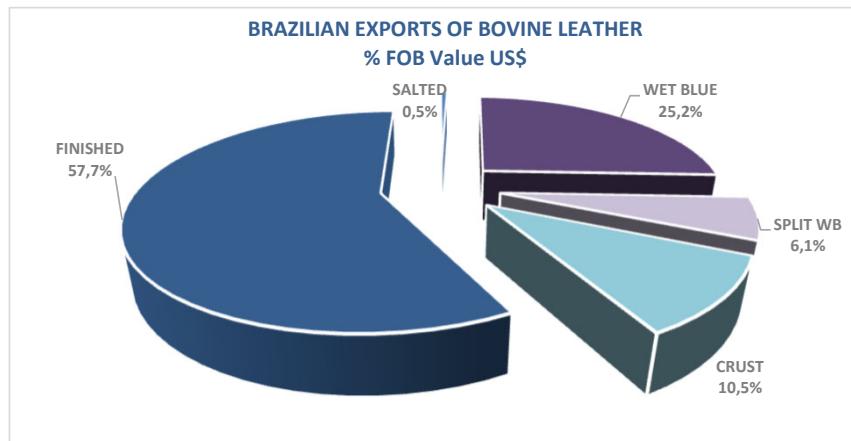
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)				Δ		AREA (sqm)*				Δ		WEIGHT (KG)				Δ		
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	2020/2019	2020/2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	2020/2019	2020/2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	2020/2019	2020/2018	Jan-Sep 2020	Jan-Sep 2019	2020/2019	2020/2018
SALTED	3.348.228	2.133.340	2.397.470	56,9%	39,7%	-	-	-	-	-	11.742.583	4.069.189	3.594.921	188,6%	226,6%				
WET BLUE	169.422.164	232.227.367	314.831.254	-27,0%	-46,2%	45.389.562	51.919.110	46.490.096	-12,6%	-2,4%	194.919.951	215.833.308	185.616.683	-9,7%	5,0%				
SPLIT WB	41.094.723	44.309.853	41.698.408	-7,3%	-1,4%	-	-	-	-	-	80.063.468	82.179.841	85.404.912	-2,6%	-6,3%				
CRUST	70.912.321	75.329.931	99.911.582	-5,9%	-29,0%	8.010.523	7.820.483	9.561.463	2,4%	-16,2%	7.667.449	7.579.499	17.462.241	1,2%	-56,1%				
FINISHED	388.735.441	540.708.709	639.030.456	-28,1%	-39,2%	40.158.581	49.924.916	50.124.847	-19,6%	-19,9%	34.947.810	44.889.042	43.344.607	-22,1%	-19,4%				
Total	673.512.877	894.709.200	1.097.869.170	-24,7%	-38,7%	93.558.666	109.664.509	106.176.406	-14,7%	-11,9%	329.341.261	354.550.879	335.423.364	-7,1%	-1,8%				

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

		FOB VALUE (US\$)			Share 2020	Δ 2020/2019	Δ 2020/2018	AREA* (sqm)			Share 2020	Δ 2020/2019	Δ 2020/2018
		Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018				Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018			
1	Rio Grande do Sul	191.516.362	236.556.026	263.921.311	28,2%	-19,0%	-27,4%	28.447.382	29.358.095	28.874.920	23,5%	-3,1%	-1,5%
2	São Paulo	97.956.825	144.249.197	197.934.428	14,4%	-32,1%	-50,5%	14.471.186	19.373.405	21.897.907	11,9%	-25,3%	-33,9%
3	Goiás	92.241.615	128.111.607	169.912.418	13,6%	-28,0%	-45,7%	16.580.689	21.653.701	21.862.065	13,7%	-23,4%	-24,2%
4	Paraná	91.870.584	119.548.969	118.313.171	13,5%	-23,2%	-22,3%	19.935.543	23.013.899	18.213.715	16,4%	-13,4%	9,5%
5	Mato Grosso do Sul	45.831.787	51.130.431	64.064.869	6,7%	-10,4%	-28,5%	11.596.745	11.181.531	9.175.595	9,6%	3,7%	26,4%
6	Bahia	42.129.311	50.385.599	72.304.921	6,2%	-16,4%	-41,7%	7.405.930	6.938.465	8.502.176	6,1%	6,7%	-12,9%
7	Santa Catarina	35.430.362	47.341.221	64.166.822	5,2%	-25,2%	-44,8%	6.373.188	6.914.048	7.434.914	5,3%	-7,8%	-14,3%
8	Ceará	23.254.629	42.383.334	50.951.648	3,4%	-45,1%	-54,4%	2.657.271	4.649.953	4.808.833	2,2%	-42,9%	-44,7%
9	Minas Gerais	20.639.515	26.234.104	27.175.550	3,0%	-21,3%	-24,1%	4.127.851	4.578.371	4.265.700	3,4%	-9,8%	-3,2%
10	Pará	16.418.500	21.641.116	37.872.489	2,4%	-24,1%	-56,6%	4.270.947	4.455.738	5.132.090	3,5%	-4,1%	-16,8%
11	Mato Grosso	7.316.106	19.639.924	25.604.277	1,1%	-62,7%	-71,4%	1.946.432	4.166.339	3.782.097	1,6%	-53,3%	-48,5%
12	Rio de Janeiro	2.431.874	2.496.063	2.172.433	0,4%	-2,6%	11,9%	23.536	66.802	82.356	0,0%	-64,8%	-71,4%
13	Acre	2.285.892	495.271	0	0,3%	361,5%	-	682.557	112.702	0	0,56%	505,6%	-
14	Amazonas	1.902.852	2.164.800	1.479.622	0,3%	-12,1%	28,6%	834.295	648.368	282.606	0,7%	28,7%	195,2%
15	Rondônia	1.795.260	1.963.666	0	0,3%	-8,6%	-	560.682	496.840	0	0,5%	12,8%	-
16	Tocantins	1.719.941	2.747.791	1.131.050	0,3%	-37,4%	52,1%	559.767	639.386	159.312	0,5%	-12,5%	251,4%
17	Piauí	1.168.018	2.703.584	750.661	0,2%	-56,8%	55,6%	75.864	239.226	71.716	0,06%	-68,3%	5,8%
18	Pernambuco	1.031.973	786.132	1.129.562	0,2%	31,3%	-8,6%	36.064	48.514	95.662	0,03%	-25,7%	-62,3%
19	Maranhão	887.242	641.181	2.051.172	0,1%	38,4%	-56,7%	355.841	160.315	368.064	0,3%	122,0%	-3,3%
20	Sergipe	796.626	398.053	797.695	0,1%	100,1%	-0,1%	251.369	114.446	196.763	0,2%	119,6%	27,8%
21	Amapá	525.574	369.020	289.456	0,1%	42,4%	81,6%	0	0	0	0,0%	-	-
22	Distrito Federal	377.631	0	0	0,06%	-	-	81.378	0	0	0,07%	-	-
23	Rio Grande do Norte	64.856	0	0	0,01%	-	-	0	0	0	0,0%	-	-
24	Espírito Santo	28.574	13.855	18.852	0,004%	106,2%	51,6%	307	208	202	0,000%	47,6%	52,0%
25	Not Declared*	0	0	772.662	0,0%	-	-100,0%	0	0	76.798	0,0%	-	-100,0%
	Total	679.621.909	902.000.944	1.102.815.069	100,0%	-24,7%	-38,4%	121.274.824	138.810.352	135.283.491	100,0%	-12,6%	-10,4%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

