



BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2020



SUMMARY

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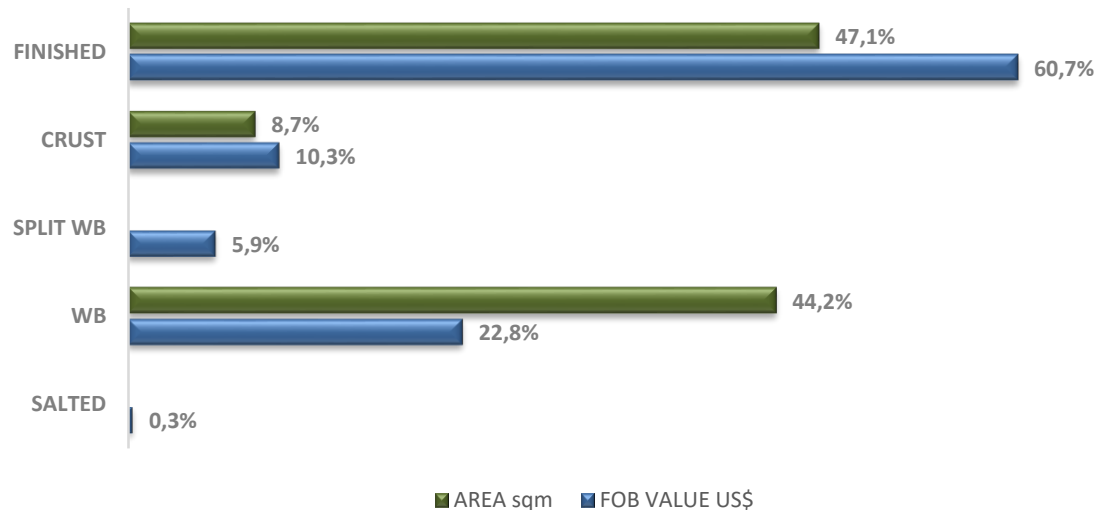
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

MARCH 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of March 2020, registered the amount of US\$ 97.2 million, down 18.3% year-on-year, when total exports were US\$ 118.9 million, and also lower 0.9% compared to February, when amount was US\$ 98.1 million.

Considering exports in square meters, during March were shipped 15.8 million, down 13.2% year-on-year, and lower 1.7% than February, when total was 16.1 million.

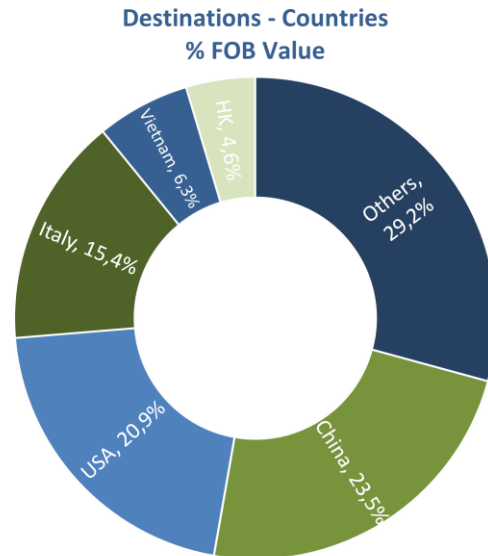
Below is the profile of 1Q 2020 exports:



These are the variations of the Brazilian exports of bovine leather during 1Q of 2020, year-on-year:

- Salted hides down 34.0% (before -51.3%) in value, but higher 34.3% (+13.8%) in weight;
- Wet Blue declined 37.3% (-34.2%) in value and 23.1% (-18.5%) in area;
- Split WB higher 11.3% (+20.6%) in value and 12.2% (+23.2%) in area;
- Crust was higher 9.1% (+9.3%) in value and 17.1% (+20.4%) in area;
- Finished leather lower 9.8% (-8.7%) in value, but higher 1.9% (+3.9%) in area.

Below are the 2020 destinations:



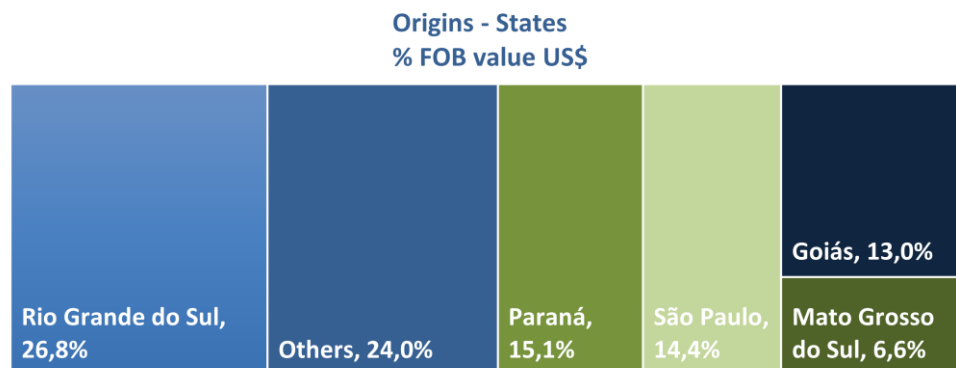
These are 2020 1Q highlights for the three main destinations for Brazilian leather:

- China, with share of 23.5% in value and 30.5% in area, falling 14.4% in traded area (-6.7% in Feb) and also -18.4% in value (-11.6%);
- US, with share of 20.9% in value and 11.4% in area, has increased 22.0% in area (+15.9%) and 10.9% in value (+3.1%);
- Italy, with share of 15.4% in value and 19.2% in area, has reduction of 17.1% in traded area (-9.2%), and also down 31.7% considering value (-27.6%).

Among the main destinations, the USA remains the only one to show improvements in imported volumes and values. China and Italy are worsening performance every month.

As an analysis of other countries considered important players in the leather trade, we highlight the following: Vietnam, in 4th place in the ranking (6.3% value share), shows increase of 42.3% in area but fall of 9.7% in value; Hong Kong, with share of 4.6% in value, is keeping significant growth of 51.2% in area, but down 25.3% in value (-17.2%); Germany, back to 5th place, now with share of 4.6%, shows drop of 25.1% (-19.5%) in value and 12.5% in area; and, finally, Mexico, with share of 4.4%, continues with increase of 66.6% (+92.0%) in area and +52.3% in value (+67.8%). It is important to highlight exports to Macau, which will become a destination in 2020 for Brazilian leather, being an alternative entry into mainland China, given the problems presented by Hong Kong in recent years.

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



Some highlights considering exporting states:

- Among the ten states with largest exports in the country, Minas Gerais, which until February showed recovery in value, now has stable indexes, with only +0.6%. All others show falls. If we consider the traded area, four of them have a positive performance in the 1Q, being: Mato Grosso do Sul (+17.3%), Bahia (+13.6%), Minas Gerais (+8.3%), and Pará (+0.6%);

- Still in the top ten, largest drops in value were: Ceará, with -28.1% (before -37.2%); Goiás, with -24.7% (-24.0%); Pará, with -22.9% (-9.2%); Bahia, with -18.6% (-5.1%); Santa Catarina, with -18.5% (-14.0%); and Paraná, with -17.1% (-1.2%);

- Despite fall in value and area, Rio Grande do Sul remains leader in shipments, with share of 26.8% and 21.8%, respectively. Paraná continues in second considering value, with share of 15.1%, but now in fourth in volume, with 12.8%; São Paulo remains in third place, with a share value of 14.4%, and returns to second place in area, with 16.1%. Goiás, therefore, it is in fourth place in value and third in area.

- In this 1Q, the highlight in increasing value and exported area goes to Rondônia, which passes Rio de Janeiro and occupies the 12th position, with an increase of 319.4% in value and 586.7% in area.

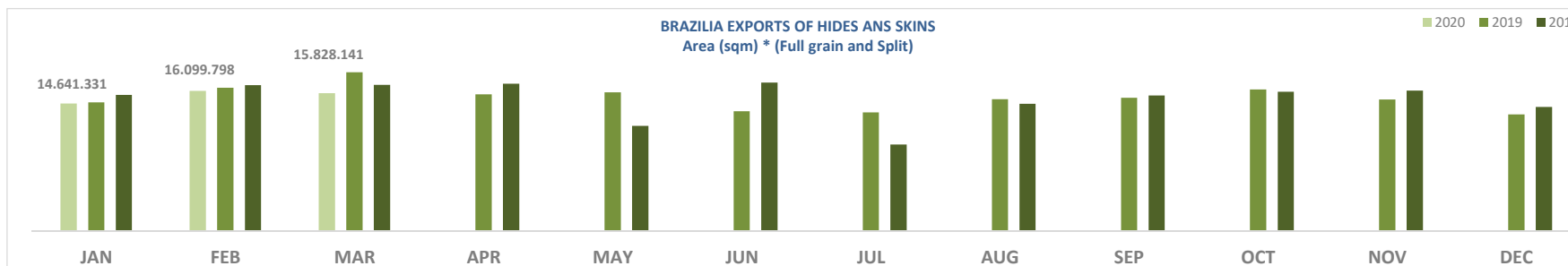
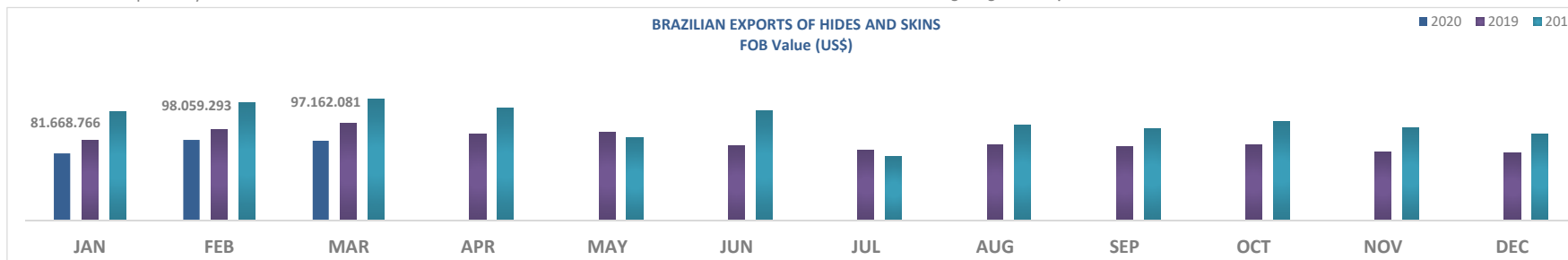
The volumes exported in March are beginning to show a worrying scenario, where the stability that until then was apparent, starts to give rise to stronger falls, mainly in Wet Blue leathers. Split WB still maintains growth in value and volume in the quarter, however in March it had the first falls in both items. The growth in volume of finished and semi-finished leathers, in the latter also in terms of value, started to decrease or even negate, having a strong impact on total exports. The daily average of exports decreased, but the greater number of working days in March favored the total. With the fall of WB, finished leather started to recover its share in value and volume, showing that the stability of exports at this stage still tends to be more secure. The criteria of low raw material prices and a valued US dollar are no longer determinants to maintain volumes. Everything becomes a matter of demand. The coming months will be decisive in the result of the year, where tanneries and manufacturing are already feeling the strong impacts of the pandemic.

2 - BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA* (sqm)			Δ (%)		
	2020	2019	2018	MONTH 2019	2020/2019	2020/2018	2020	2019	2018	MONTH 2019	2020/2019	2020/2018
JAN	81.668.766	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	98.059.293	110.865.937	144.041.578	20,1%	-11,6%	-31,9%	16.099.798	16.450.463	16.743.477	10,0%	-2,1%	-3,8%
MAR	97.162.081	118.876.746	147.515.178	-0,9%	-18,3%	-34,1%	15.828.141	18.232.700	16.782.906	-1,7%	-13,2%	-5,7%
APR		105.935.839	136.997.970					15.685.661	16.934.162			
MAY		107.847.382	101.387.567					15.914.498	12.060.974			
JUN		91.317.919	134.092.407					13.741.104	17.040.148			
JUL		86.133.297	77.719.735					13.605.791	9.931.991			
AUG		92.351.955	115.879.312					15.124.597	14.602.513			
SEP		90.587.484	112.331.092					15.293.740	15.567.193			
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	276.890.140	1.161.004.631	1.442.564.795		-15,5%	-34,8%	46.569.270	183.549.961	181.636.952		-5,8%	-5,2%

Source: SECEX - Prepared by: CICB

*Area including Full grain and Split



3 - DESTINATION OF BRAZILIAN EXPORTS OF HIDES AND SKINS

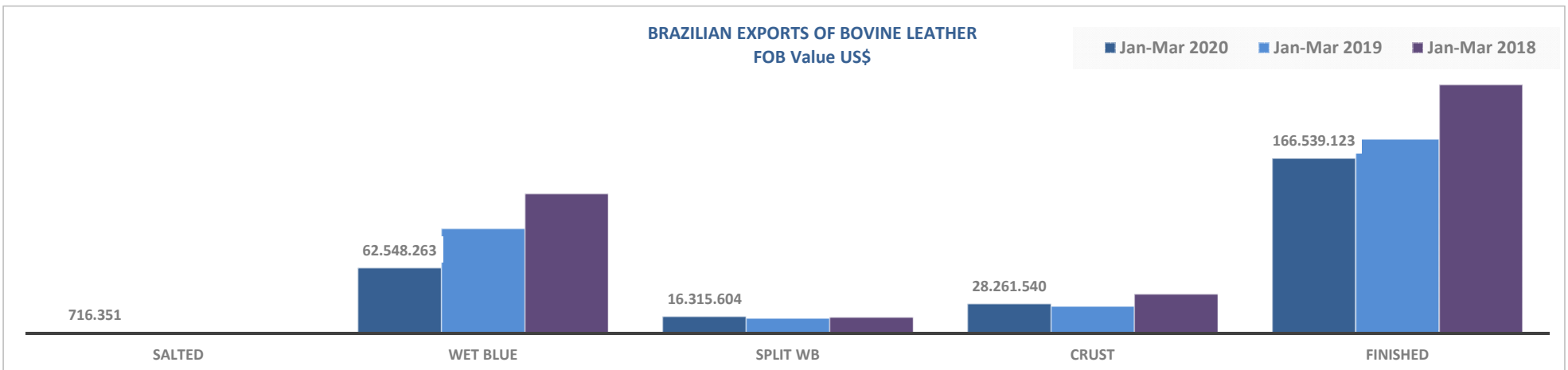
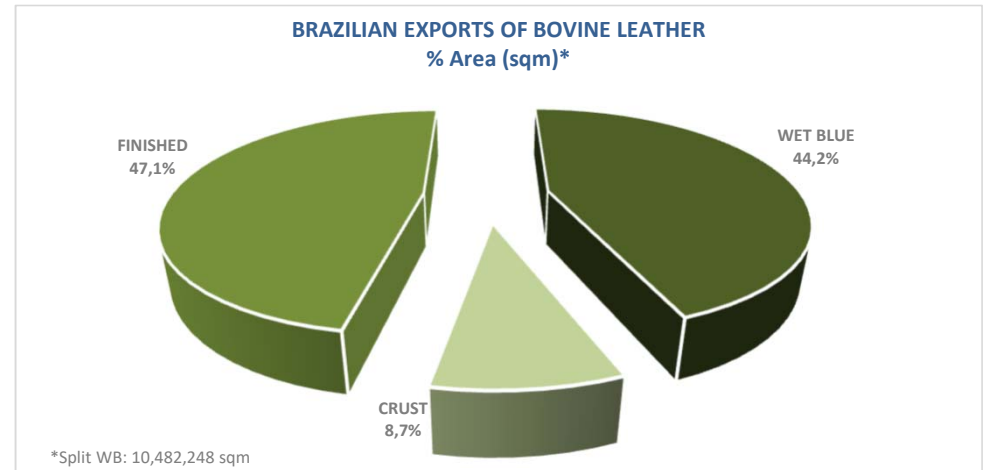
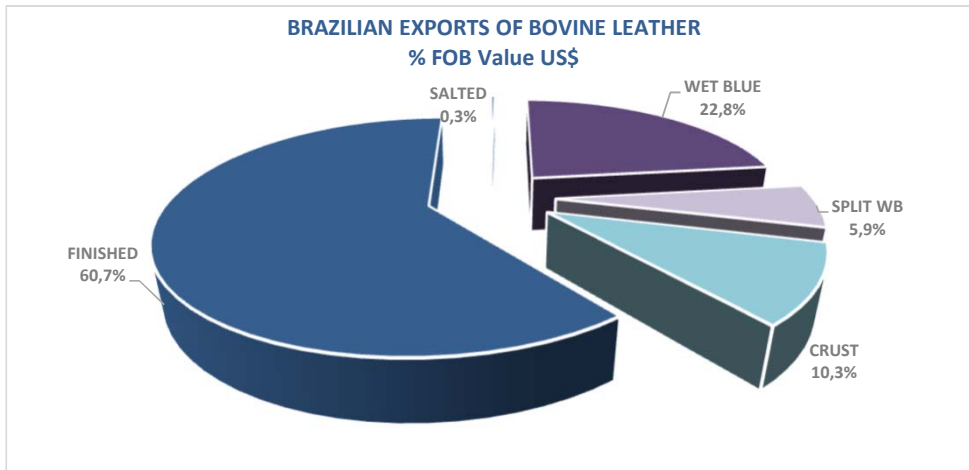
COUNTRIES	FOB VALUE (US\$)			Δ		AREA* (sqm)			Δ	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Share 20	2020/2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Share 20	2020/2019
1 China + Hong Kong	78.048.088	97.078.634	141.888.908	28,2%	-19,6%	17.093.148	18.499.608	17.798.304	36,7%	-7,6%
China	65.204.856	79.882.857	125.391.408	23,5%	-18,4%	14.197.049	16.584.809	16.610.911	30,5%	-14,4%
2 United States	57.980.965	52.275.423	67.365.236	20,94%	10,9%	5.310.405	4.354.133	4.865.740	11,4%	22,0%
3 Italy	42.629.519	62.410.111	67.294.526	15,40%	-31,7%	8.953.248	10.798.839	10.235.986	19,2%	-17,1%
4 Vietnam	17.367.030	19.228.357	23.676.610	6,3%	-9,7%	4.816.828	3.384.359	3.887.527	10,3%	42,3%
Hong Kong	12.843.232	17.195.777	16.497.500	4,6%	-25,3%	2.896.099	1.914.799	1.187.393	6,2%	51,2%
5 Germany	12.690.639	16.951.311	12.047.346	4,6%	-25,1%	1.265.219	1.446.618	824.411	2,7%	-12,5%
6 Mexico	12.191.160	8.003.429	10.134.040	4,40%	52,3%	1.029.007	617.522	726.868	2,2%	66,6%
7 Thailand	8.272.653	11.060.198	16.749.167	3,0%	-25,2%	855.682	1.107.065	1.409.256	1,8%	-22,7%
8 Hungary	6.568.991	4.906.882	21.178.685	2,4%	33,9%	559.182	371.303	1.488.009	1,2%	50,6%
9 Taiwan	4.796.102	6.914.816	8.677.039	1,7%	-30,6%	1.551.399	2.550.400	2.432.351	3,3%	-39,2%
10 India	4.072.700	5.375.232	4.134.570	1,5%	-24,2%	1.267.142	1.637.343	845.457	2,7%	-22,6%
11 Indonesia	3.289.986	4.105.435	8.877.768	1,2%	-19,9%	384.082	369.031	661.092	0,8%	4,1%
12 South Korea	3.142.629	3.459.108	2.899.986	1,1%	-9,1%	515.089	534.774	290.750	1,1%	-3,7%
13 Netherlands	2.464.440	2.918.278	3.445.898	0,9%	-15,6%	286.462	327.030	301.569	0,6%	-12,4%
14 Tunisia	2.118.269	1.654.891	1.758.707	0,8%	28,0%	148.209	92.299	87.921	0,3%	60,6%
15 Norway	1.903.893	2.305.257	4.491.106	0,7%	-17,4%	141.402	147.230	262.675	0,3%	-4,0%
16 Uruguay	1.781.164	4.719.936	5.044.096	0,6%	-62,3%	205.728	476.612	366.072	0,4%	-56,8%
17 Portugal	1.495.577	2.152.861	2.899.479	0,5%	-30,5%	214.553	338.587	338.691	0,5%	-36,6%
18 Malaysia	1.375.248	3.313.796	2.659.009	0,5%	-58,5%	103.548	258.225	181.005	0,2%	-59,9%
19 Canada	1.224.691	1.340.208	1.357.405	0,4%	-8,6%	84.085	77.077	77.036	0,2%	9,1%
20 Macau	1.177.183	0	0	0,4%	-	246.369	0	0	0,5%	-
21 Poland	1.028.192	222.333	1.036.573	0,4%	362,5%	111.759	16.074	89.612	0,2%	595,3%
22 South Africa	1.007.647	909.403	1.709.214	0,4%	10,8%	192.979	119.871	152.263	0,4%	61,0%
23 United Kingdom	902.967	1.327.680	990.763	0,3%	-32,0%	75.412	184.730	96.932	0,2%	-59,2%
24 Cambodia	869.809	1.160.808	458.271	0,3%	-25,1%	113.541	135.025	231.034	0,2%	-15,9%
25 Argentina	840.455	916.518	693.165	0,3%	-8,3%	86.791	62.211	54.533	0,2%	39,5%
26 Lithuania	827.734	349.601	524.829	0,3%	136,8%	51.583	23.588	28.742	0,1%	118,7%
27 Dominican Republic	806.625	1.060.678	1.642.289	0,3%	-24,0%	139.674	155.560	146.221	0,3%	-10,2%
28 Paraguay	596.777	537.008	772.836	0,2%	11,1%	107.628	93.269	103.288	0,2%	15,4%
29 Chile	586.242	596.898	741.768	0,2%	-1,8%	85.188	61.143	52.946	0,2%	39,3%
30 Spain	537.117	1.793.563	1.401.748	0,2%	-70,1%	141.916	411.437	506.341	0,3%	-65,5%
Others (2020: +36 countries)	4.295.648	8.778.415	7.855.949	1,6%	-51,1%	432.012	793.998	603.878	0,9%	-45,6%
Total	276.890.140	327.827.068	424.406.986		-15,5%	46.569.270	49.444.961	49.146.510		-5,8%

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	2020/2019	2020/2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	2020/2019	2020/2018
SALTED	716.351	1.084.775	671.272	-34,0%	6,7%	-	-	-	-	-
WET BLUE	62.548.263	99.670.819	132.844.158	-37,2%	-52,9%	15.908.917	20.686.813	17.325.925	-23,1%	-8,2%
SPLIT WB	16.315.604	14.662.620	15.410.384	11,3%	5,9%	-	-	-	-	-
CRUST	28.261.540	25.908.255	37.593.980	9,1%	-24,8%	3.117.959	2.661.673	3.389.101	17,1%	-8,0%
FINISHED	166.539.123	184.649.796	236.633.406	-9,8%	-29,6%	16.961.387	16.640.935	17.938.065	1,9%	-5,4%
Total	274.380.881	325.976.265	423.153.200	-15,8%	-35,2%	35.988.263	39.989.421	38.653.091	-10,0%	-6,9%

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-Mar 2020	Jan-Mar 2019	Jan-Mar 2018		2020/2019	2020/2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018		2020/2019	2020/2018
1 Rio Grande do Sul	74.182.322	83.649.033	93.645.467	26,8%	-11,3%	-20,8%	10.164.563	10.538.911	9.773.925	21,8%	-3,6%	4,0%
2 Paraná	41.903.004	50.552.991	76.361.575	15,1%	-17,1%	-45,1%	5.980.451	6.664.632	8.567.524	12,8%	-10,3%	-30,2%
3 São Paulo	39.854.090	45.121.735	46.458.037	14,4%	-11,7%	-14,2%	7.507.667	8.166.656	6.722.028	16,1%	-8,1%	11,7%
4 Goiás	36.104.475	47.949.549	64.472.988	13,0%	-24,7%	-44,0%	6.106.679	8.079.686	7.411.440	13,1%	-24,4%	-17,6%
5 Mato Grosso do Sul	18.407.080	19.534.413	28.493.654	6,6%	-5,8%	-35,4%	4.630.918	3.949.210	3.622.798	9,9%	17,3%	27,8%
6 Bahia	15.610.869	19.171.174	30.784.279	5,6%	-18,6%	-49,3%	2.800.155	2.464.684	3.873.081	6,0%	13,6%	-27,7%
7 Santa Catarina	14.840.797	18.214.874	25.637.105	5,4%	-18,5%	-42,1%	2.381.116	2.585.829	2.602.237	5,1%	-7,9%	-8,5%
8 Ceará	10.463.357	14.546.457	18.553.642	3,8%	-28,1%	-43,6%	1.173.037	1.522.822	1.465.133	2,5%	-23,0%	-19,9%
9 Minas Gerais	8.856.026	8.806.136	11.697.136	3,2%	0,6%	-24,3%	1.737.974	1.604.411	1.755.816	3,7%	8,3%	-1,0%
10 Pará	7.142.544	9.258.199	15.920.632	2,6%	-22,9%	-55,1%	1.727.512	1.716.420	1.894.423	3,7%	0,6%	-8,8%
11 Mato Grosso	3.762.985	6.469.919	9.893.859	1,4%	-41,8%	-62,0%	903.813	1.248.663	1.192.297	1,9%	-27,6%	-24,2%
12 Rondônia	1.510.553	360.166	0	0,5%	319,4%	-	469.901	68.432	0	1,0%	586,7%	-
13 Rio de Janeiro	1.247.216	608.819	703.285	0,5%	104,9%	77,3%	12.320	48.511	32.632	0,0%	-74,6%	-62,2%
14 Acre	915.829	0	0	0,3%	-	-	257.769	0	0	0,6%	-	-
15 Amazonas	425.251	1.022.916	0	0,2%	-58,4%	-	387.184	321.110	0	0,8%	20,6%	-
16 Tocantins	418.588	834.077	380.187	0,2%	-49,8%	10,1%	105.277	186.278	49.607	0,2%	-43,5%	112,2%
17 Piauí	336.649	795.508	336.344	0,1%	-57,7%	0,1%	17.845	86.253	25.189	0,0%	-79,3%	-29,2%
18 Sergipe	294.902	164.511	202.789	0,1%	79,3%	45,4%	98.079	45.263	39.092	0,2%	116,7%	150,9%
19 Maranhão	232.538	523.473	438.777	0,1%	-55,6%	-47,0%	91.754	140.259	81.296	0,2%	-34,6%	12,9%
20 Amapá	170.163	97.816	117.465	0,1%	74,0%	44,9%	0	0	0	0,0%	-	-
21 Pernambuco	168.026	142.095	196.515	0,1%	18,2%	-14,5%	15.193	6.901	23.056	0,0%	120,2%	-34,1%
22 Rio Grande do Norte	36.903	0	0	0,0%	-	-	0	0	0	0,0%	-	-
23 Espírito Santo	5.973	3.207	6.845	0,0%	86,2%	-12,7%	63	30	77	0,0%	110,0%	-18,2%
24 Not Declared*	0	0	106.405	0,0%	-	-100,0%	0	0	14.859	0,0%	-	-100,0%
Total	276.890.140	327.827.068	424.406.986	100,0%	-15,5%	-34,8%	46.569.270	49.444.961	49.146.510	100,0%	-5,8%	-5,2%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

