



BRAZILIAN EXPORTS OF HIDES AND SKINS

FEBRUARY 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

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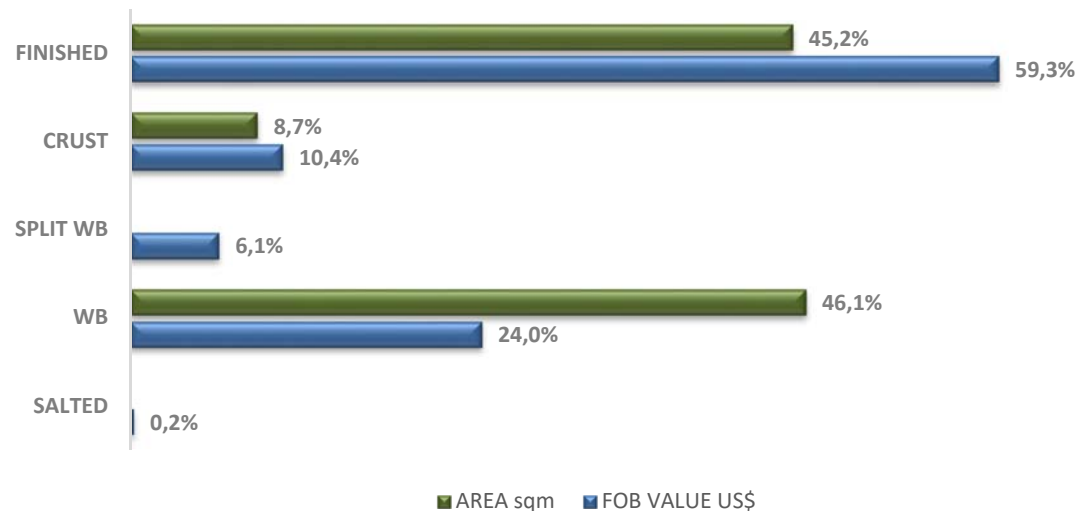
1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

FEBRUARY 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat), for the month of February 2020, registered the amount of US\$ 98.1 million, down 11.6% year-on-year, when total exports were US\$ 110.9 million, however higher 20.0% compared to January, when amount was US\$ 81.7 million.

Considering exports in square meters, during February were shipped 16.1 million, down 2.1% year-on-year, however higher 10.0% than January, when total was 14.6 million.

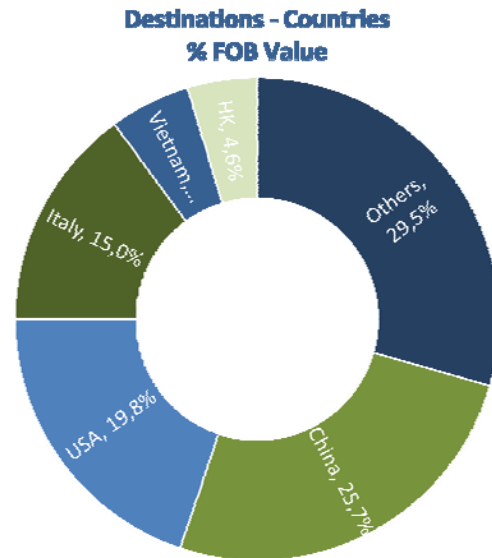
Below is the profile of accumulated exports of 2020:



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

- Salted hides down 51.3% in value, but higher 13.8% in weight;
- Wet Blue declined 34.2% in value and 18.5% in area;
- Split WB higher 20.6% in value and 23.2% in area;
- Crust was higher 9.3% in value and 20.4% in area;
- Finished leather lower 8.7% in value, but higher 3.9% in area.

Below are the 2020 destinations:



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

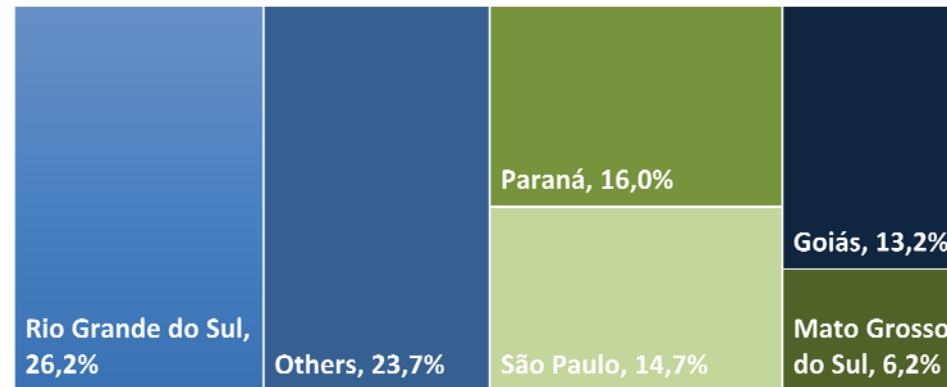
- China, with share of 25.7% in value and 33.4% in area, falling 6.7% in traded area (+1.8% in January) and also -11.6% in value (-9.3%);
- US, with share of 19.8% in value and 10.8% in area, has increased 15.9% in area (+2.5%) and 3.1% in value (-10.6%);
- Italy, with share of 15.0% in value and 18.9% in area, has reduction of 9.2% in traded area (-9.8%), and also down 27.6% considering value (-31.7%).

Looking at performance of the TOP3 markets, only the US shows improvements in imported volumes and values. China worsened its performance a lot compared to January, and Italy, despite the small improvement, still presents important falls in both aspects.

As an analysis of other countries considered important players in the leather trade, we highlight the following: Vietnam, returning to 4th place in the ranking (5.4% share of value), shows now increase of 25.1% in area (-24.5% in January); Mexico, with share of 4.8%, is keeping significant growth of 92.0% in area and 67.8% in value; Germany, falling in the ranking and now with share of 4.7%, shows drop of 19.5% (+1.1%) in value and 3.8% in area (+22.1%); finally Hong Kong, with share of 4.6% in value, continues with significant increase in area of 85.1% (+168.6%), but now decrease of value of 17.2% (+8.3%).

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

Origins - States
% FOB value US\$



Some highlights considering exporting states:

- Among the ten states with largest exports in the country, only Minas Gerais continues showing a recovery in value, now with +15.2%. Considering traded area, performance has improved a lot and now six states show growths, with the highest percentages being: Bahia (+44.6%), Pará (+24.5%), and Minas Gerais (+14.9%);

- Still in the top ten, largest drops in value were: Ceará, with -37.2% (previous -57.6%); Goiás, with -24.0% (-10.4%); Santa Catarina, with -14.0% (-15.7%); Mato Grosso do Sul, with -14.6% (-32.8%); and Rio Grande do Sul, with -13.5% (-13.4%);

- Despite fall in value and area, Rio Grande do Sul remains leader in shipments, with share of 26.2% and 20.9%, respectively. Paraná continues in second considering value, with share of 16.0%, and also in volume, with 17.9%; São Paulo resumes the third position in the state of Goiás, showing share of 14.7% in value, but continues in fourth in area, with 12.8%; therefore, Goiás is now the fourth in value and third in area.

- It is also important to highlight the growth in value of Rio de Janeiro, which is now in the 12th position, with an increase of 53.1%, but still with a drop of 77.9% in area, apparently changing the export profile.

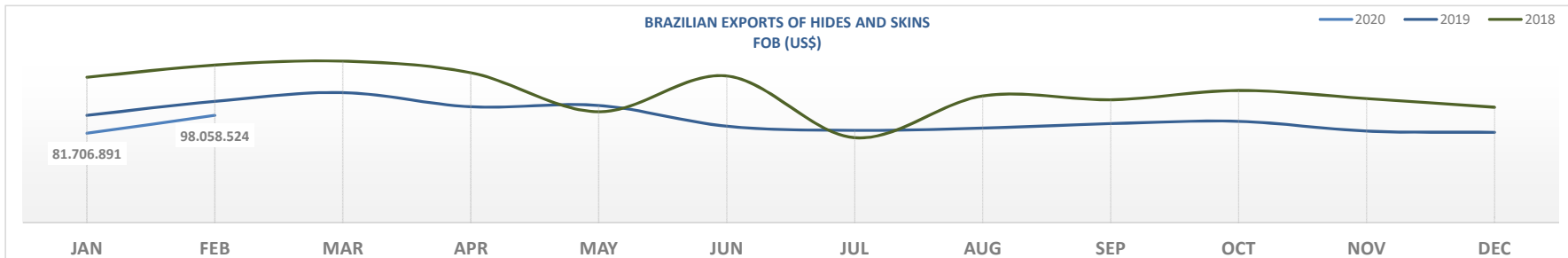
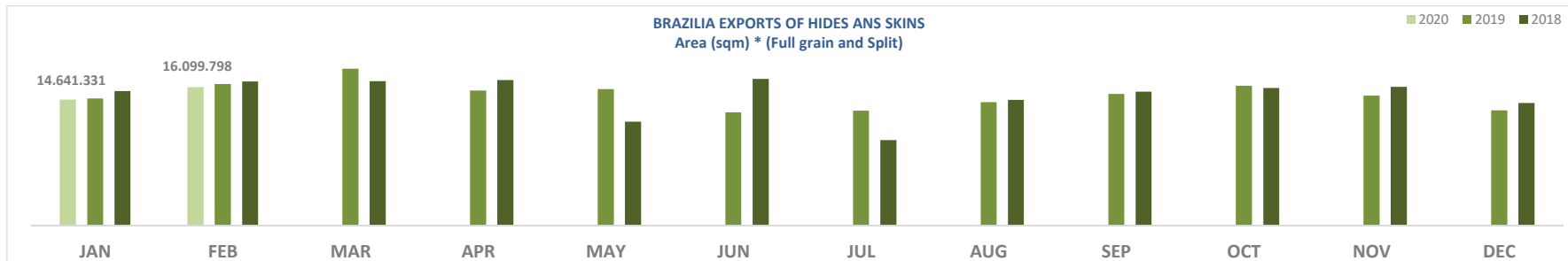
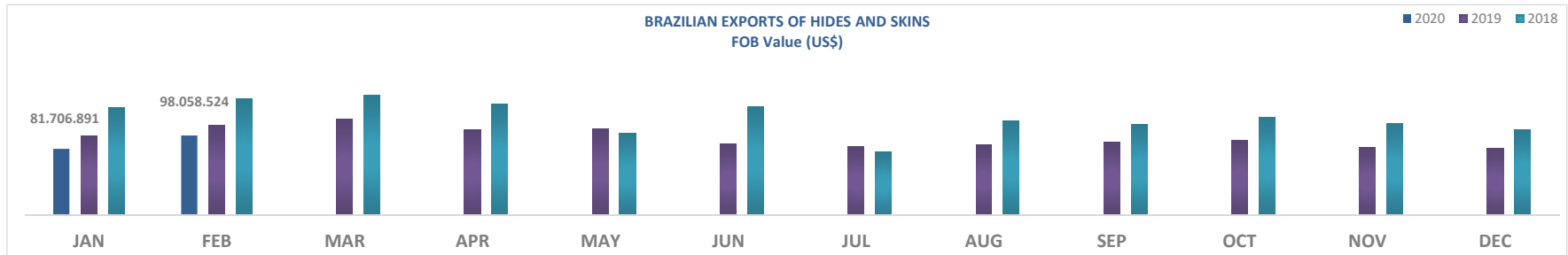
The scenario continues, with the relative stability of the traded area (-1.5%) and a decline in value (-14.0%). February showed a reaction of the average values and prices of Wet Blue, Crust, and Finished leather. The daily average of the export value was much higher than January (US\$ 5.4 million / day against US\$ 3.7 million), with the total not being more positive due to the few working days in the month (18 days against 22 of January). Finished leather maintains its majority share in the total exported values, with 59.3%, even approaching Wet Blue again in area, reaching 45.2% against 46.1%. The instability of the world economic scenario still does not appear in the results of exports for the two months, but it causes a lot of insecurity and concern among all companies, which until now are favoring a devalued Real, taking the opportunity to effect more business and expand markets.

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	81.706.891	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	98.058.524	110.865.937	144.041.578	20,0%	-11,6%	-31,9%	16.099.798	16.450.463	16.743.477	10,0%	-2,1%	-3,8%
MAR		118.891.521	147.515.178					18.240.248	16.782.906			
APR		105.935.844	136.997.970					15.685.661	16.934.162			
MAY		107.135.194	101.387.567					15.851.389	12.060.974			
JUN		88.181.523	134.092.407					13.167.722	17.040.148			
JUL		84.449.430	77.719.735					13.353.864	9.931.991			
AUG		86.429.729	115.879.312					14.336.546	14.602.513			
SEP		90.587.483	112.331.092					15.293.740	15.567.193			
OCT		92.618.708	120.783.613					16.274.932	15.996.795			
NOV		83.768.213	113.432.678					15.092.702	16.111.481			
DEC		82.618.148	105.533.435					13.371.981	14.245.185			
Total	179.765.415	1.149.566.115	1.442.564.795		-14,0%	-35,1%	30.741.129	181.881.046	181.636.952		-1,5%	-5,0%

Source: SECEX - Prepared by: CICB

*Area including Full grain and Split



3 - DESTINATION OF BRAZILIAN EXPORTS OF HIDES AND SKINS

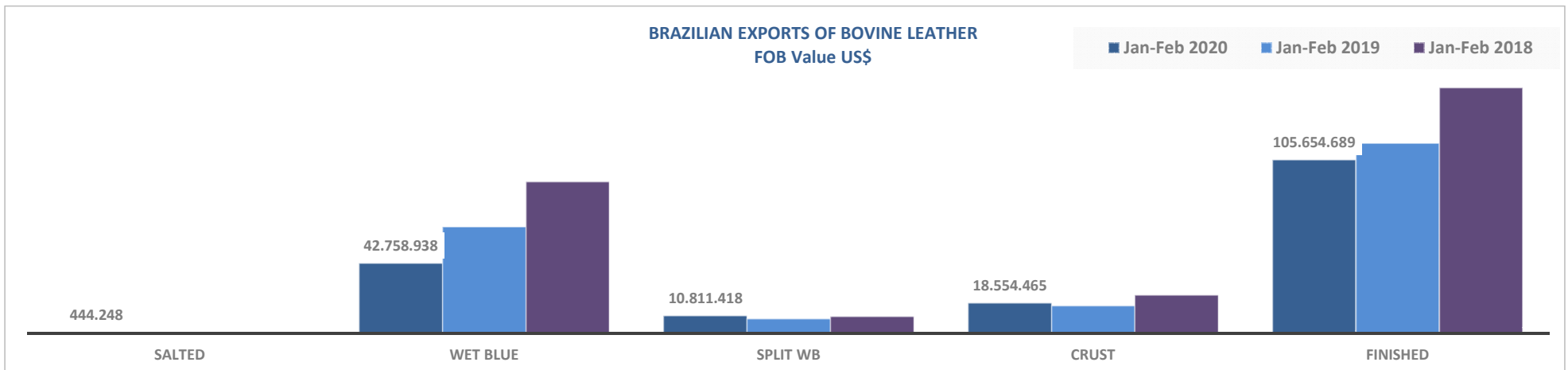
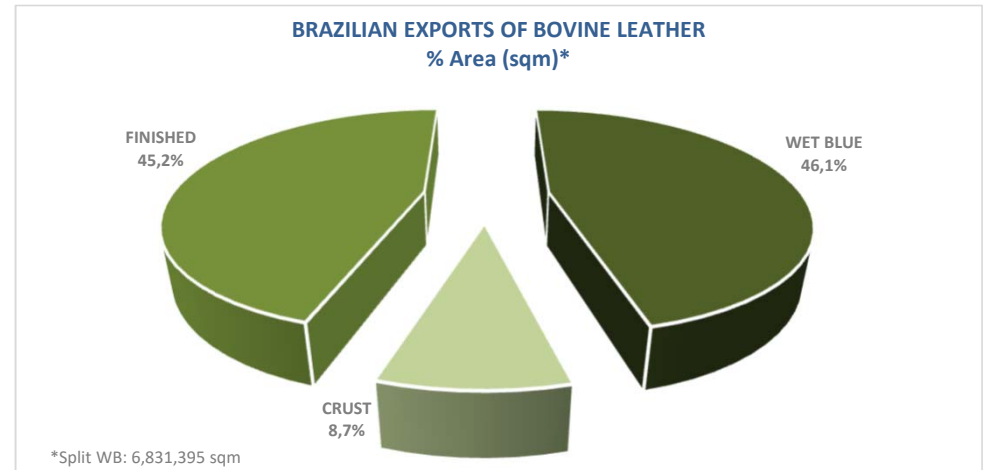
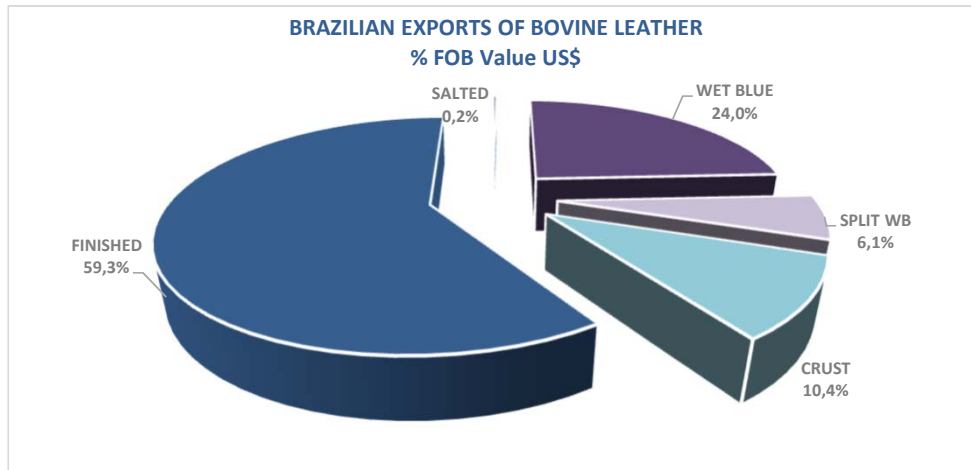
COUNTRIES	FOB VALUE (US\$)			Δ		AREA* (sqm)			Δ	
	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018	Share 20	2020/2019	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018	Share 20	2020/2019
1 China + Hong Kong	54.533.104	62.323.578	94.355.250	30,3%	-12,5%	12.259.110	12.071.283	12.001.949	39,9%	1,6%
China	46.181.520	52.234.587	84.466.482	25,7%	-11,6%	10.255.909	10.989.239	11.245.413	33,4%	-6,7%
2 United States	35.658.092	34.573.049	43.198.796	19,84%	3,1%	3.307.270	2.852.433	3.145.763	10,8%	15,9%
3 Italy	26.924.007	37.162.527	43.120.172	14,98%	-27,6%	5.819.444	6.406.481	6.765.556	18,9%	-9,2%
4 Vietnam	9.693.071	11.377.689	16.533.175	5,4%	-14,8%	2.622.336	2.096.189	2.769.287	8,5%	25,1%
5 Mexico	8.601.284	5.125.232	6.138.283	4,8%	67,8%	735.025	382.768	435.326	2,4%	92,0%
6 Germany	8.532.542	10.594.789	7.517.369	4,7%	-19,5%	848.072	881.486	514.501	2,8%	-3,8%
Hong Kong	8.351.584	10.088.991	9.888.768	4,6%	-17,2%	2.003.201	1.082.044	756.536	6,5%	85,1%
7 Thailand	4.950.829	7.070.214	10.958.637	2,8%	-30,0%	516.508	709.575	942.184	1,7%	-27,2%
8 Hungary	4.182.761	3.465.243	14.396.833	2,3%	20,7%	356.147	263.899	1.027.737	1,2%	35,0%
9 Taiwan	2.780.662	4.217.766	5.004.629	1,5%	-34,1%	936.423	1.425.420	1.298.525	3,0%	-34,3%
10 South Korea	2.389.990	2.273.277	1.105.276	1,3%	5,1%	381.202	339.083	120.100	1,2%	12,4%
11 India	2.386.520	3.186.139	2.124.814	1,3%	-25,1%	789.493	976.327	405.238	2,6%	-19,1%
12 Indonesia	2.188.829	2.880.918	5.214.795	1,2%	-24,0%	255.213	261.540	386.217	0,8%	-2,4%
13 Tunisia	1.435.246	970.911	1.137.930	0,8%	47,8%	91.980	50.073	56.725	0,3%	83,7%
14 Malaysia	1.265.821	2.497.482	1.615.285	0,7%	-49,3%	96.091	192.745	109.903	0,3%	-50,1%
15 Norway	1.098.173	1.607.537	3.092.686	0,6%	-31,7%	81.101	101.065	182.447	0,3%	-19,8%
16 Netherlands	1.095.900	2.009.006	2.299.102	0,6%	-45,5%	132.022	232.539	195.763	0,4%	-43,2%
17 Uruguay	1.013.784	3.804.029	3.467.170	0,6%	-73,3%	127.511	373.290	253.742	0,4%	-65,8%
18 Portugal	995.667	1.262.751	1.794.009	0,6%	-21,2%	127.182	213.246	224.781	0,4%	-40,4%
19 South Africa	821.716	653.768	1.269.596	0,5%	25,7%	147.264	80.421	112.460	0,5%	83,1%
20 Cambodia	787.553	850.918	363.323	0,4%	-7,4%	79.331	101.801	169.900	0,3%	-22,1%
21 Poland	736.448	33.298	1.036.573	0,4%	2111,7%	83.887	2.301	89.612	0,3%	3545,7%
22 Canada	730.904	906.186	888.440	0,4%	-19,3%	51.971	54.026	47.574	0,2%	-3,8%
23 United Kingdom	659.260	812.559	880.763	0,4%	-18,9%	60.922	130.860	90.232	0,2%	-53,4%
24 Lithuania	646.477	332.813	186.451	0,4%	94,2%	42.330	22.214	10.046	0,1%	90,6%
25 Macau	562.349	0	0	0,3%	-	114.236	0	0	0,4%	-
26 Paraguay	540.801	345.832	590.921	0,3%	56,4%	94.303	58.705	80.718	0,3%	60,6%
27 Dominican Republic	504.975	659.832	1.186.264	0,3%	-23,5%	92.550	97.049	109.454	0,3%	-4,6%
28 France	452.882	1.073.403	161.399	0,3%	-57,8%	24.899	45.533	6.741	0,1%	-45,3%
29 Argentina	424.888	530.767	415.995	0,2%	-19,9%	52.937	34.907	24.793	0,2%	51,7%
30 Philippines	370.473	216.041	486.836	0,2%	71,5%	13.704	40.210	21.216	0,0%	-65,9%
Other (2020: +20 countries)	2.800.407	6.132.768	6.351.036	1,6%	-54,3%	400.665	714.792	765.114	1,3%	-43,9%
Total	179.765.415	208.950.322	276.891.808		-14,0%	30.741.129	31.212.261	32.363.604		-1,5%

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ	
	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018	2020/2019	2020/2018	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018	2020/2019	2020/2018
SALTED	444.248	913.096	427.340	-51,3%	4,0%	-	-	-	-	-
WET BLUE	42.758.938	64.972.941	92.352.398	-34,2%	-53,7%	10.996.690	13.488.104	11.810.344	-18,5%	-6,9%
SPLIT WB	10.811.418	8.960.989	10.415.511	20,6%	3,8%	-	-	-	-	-
CRUST	18.554.465	16.982.208	23.466.951	9,3%	-20,9%	2.072.460	1.720.612	2.086.801	20,4%	-0,7%
FINISHED	105.654.689	115.726.656	149.452.228	-8,7%	-29,3%	10.780.280	10.376.955	11.425.247	3,9%	-5,6%
Total	178.223.758	207.555.890	276.114.428	-14,1%	-35,5%	23.849.430	25.585.671	25.322.392	-6,8%	-5,8%

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share 2020	Δ		AREA* (sqm)			Share 2020	Δ	
	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018		2020/2019	2020/2018	Jan-Feb 2020	Jan-Feb 2019	Jan-Feb 2018		2020	2020/2019
1 Rio Grande do Sul	47.036.478	54.371.026	59.692.301	26,2%	-13,5%	-21,2%	6.420.546	6.878.062	6.284.985	20,9%	-6,7%	2,2%
2 Paraná	28.736.884	29.090.148	31.280.690	16,0%	-1,2%	-8,1%	5.498.951	5.085.016	4.487.514	17,9%	8,1%	22,5%
3 São Paulo	26.452.398	33.810.470	50.486.209	14,7%	-21,8%	-47,6%	3.945.670	4.424.546	5.703.927	12,8%	-10,8%	-30,8%
4 Goiás	23.809.997	31.312.765	42.855.364	13,2%	-24,0%	-44,4%	4.098.811	5.295.013	5.015.870	13,3%	-22,6%	-18,3%
5 Mato Grosso do Sul	11.079.399	12.826.499	17.811.523	6,2%	-13,6%	-37,8%	2.858.406	2.551.189	2.177.647	9,3%	12,0%	31,3%
6 Bahia	9.949.514	10.480.791	20.334.086	5,5%	-5,1%	-51,1%	2.025.733	1.400.466	2.820.024	6,6%	44,6%	-28,2%
7 Santa Catarina	9.328.953	10.851.897	17.994.108	5,2%	-14,0%	-48,2%	1.456.060	1.441.913	1.752.840	4,7%	1,0%	-16,9%
8 Ceará	6.014.390	9.580.421	10.636.595	3,3%	-37,2%	-43,5%	624.462	990.151	892.709	2,0%	-36,9%	-30,0%
9 Minas Gerais	5.947.127	5.163.111	6.448.569	3,3%	15,2%	-7,8%	1.127.737	981.242	1.004.673	3,7%	14,9%	12,2%
10 Pará	5.303.364	5.842.531	11.457.283	3,0%	-9,2%	-53,7%	1.317.323	1.058.250	1.314.414	4,3%	24,5%	0,2%
11 Mato Grosso	2.612.707	2.747.579	6.531.875	1,5%	-4,9%	-60,0%	604.957	512.408	758.200	2,0%	18,1%	-20,2%
12 Rio de Janeiro	772.129	504.207	458.869	0,4%	53,1%	68,3%	7.720	35.002	19.230	0,0%	-77,9%	-59,9%
13 Rondônia	681.718	0	0	0,4%	-	-	262.902	0	0	0,9%	-	-
14 Acre	606.421	0	0	0,3%	-	-	172.497	0	0	0,6%	-	-
15 Amazonas	293.587	777.111	0	0,2%	-62,2%	-	98.503	259.888	0	0,3%	-62,1%	-
16 Piauí	282.369	605.296	150.563	0,2%	-53,4%	87,5%	14.694	62.337	12.290	0,0%	-76,4%	19,6%
17 Tocantins	253.133	345.379	77.882	0,1%	-26,7%	225,0%	59.055	81.840	10.269	0,2%	-27,8%	475,1%
18 Maranhão	230.429	404.737	261.509	0,1%	-43,1%	-11,9%	91.754	108.262	48.321	0,3%	-15,2%	89,9%
19 Sergipe	168.438	164.511	202.789	0,1%	2,4%	-16,9%	48.943	45.263	39.092	0,2%	8,1%	25,2%
20 Amapá	98.894	43.948	39.148	0,1%	125,0%	152,6%	0	0	0	0,0%	-	-
21 Pernambuco	66.348	24.688	96.641	0,0%	168,7%	-31,3%	6.362	1.383	11.284	0,0%	360,0%	-43,6%
22 Rio Grande do Norte	36.903	0	0	0,0%	-	-	0	0	0	0,0%	-	-
23 Espírito Santo	3.835	3.207	6.630	0,0%	19,6%	-42,2%	43	30	75	0,0%	43,3%	-42,7%
24 Not Declared*	0	0	69.174	0,0%	-	-100,0%	0	0	10.240	0,0%	-	-100,0%
Total	179.765.415	208.950.322	276.891.808	100,0%	-14,0%	-35,1%	30.741.129	31.212.261	32.363.604	100,0%	-1,5%	-5,0%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

