



BRAZILIAN EXPORTS OF HIDES AND SKINS

AUGUST 2020

SUMMARY

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1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

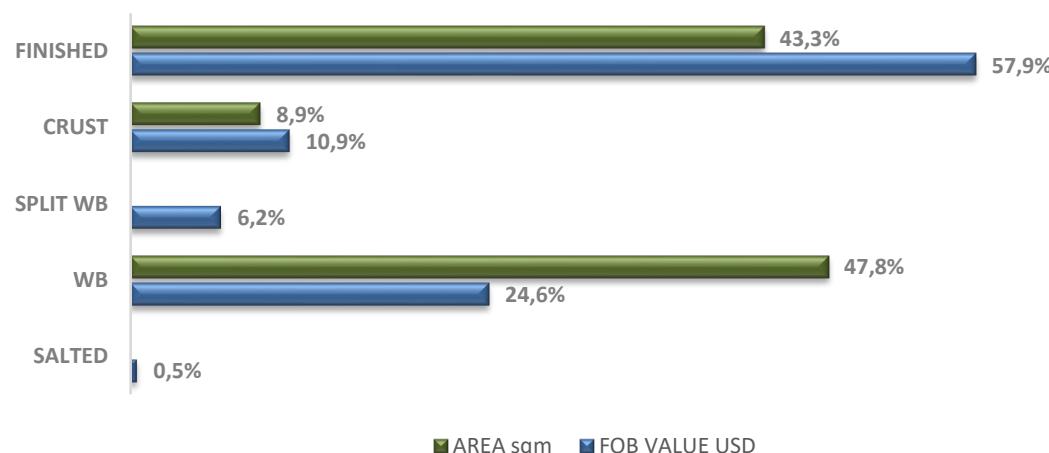
AUGUST 2020

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of August 2020, amounted to US\$ 79.4 million, down 14.0% year-on-year, when US\$ 92.4 million worth was exported, however with a sharp increase of 20.0% compared to July, when total was US\$ 66.2 million.

Considering exports in square meters, during August were shipped 15.0 million, down 1.1% year-on-year, but higher 19.7% than July, when total was 12.5 million.

From January to August of 2020, total exports were US\$ 596.0 million, 26.5% less compared to the same period of 2019, and also 14.8% below in trade area, with 105.3 million square meters.

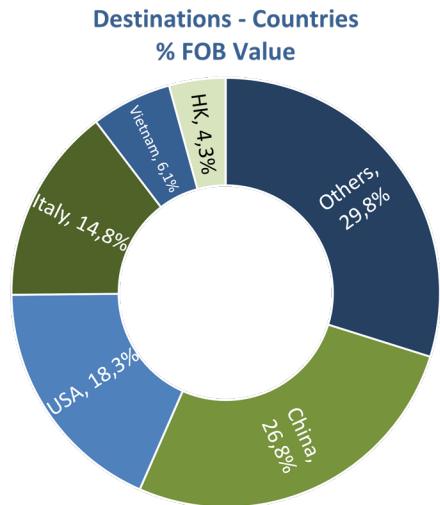
Below is the profile of 2020's bovine exports till August:



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

- Salted hides higher 41.2% (previous +32.0%) in value, and also +186.1% (+171.8%) in weight;
- Wet Blue declined 30.2% (-32.6%) in value and 15.0% (-18.1%) in area;
- Split WB down 8.4% (-7.2%) in value and also down 7.2% (-7.1%) in area;
- Crust with value down 4.2% (-5.1%), but still higher 4.0% (+3.3%) in area;
- Finished leather lower 29.8% (-31.4%) in value and also down 21.7% (-23.7%) in area.

Below are the 2020 destinations:



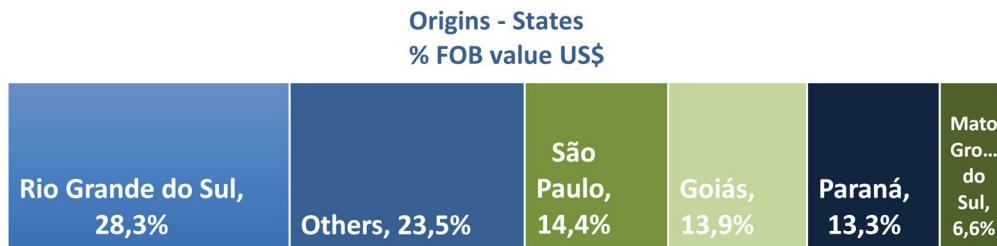
These are highlights from January to August of 2020 for the three main destinations for Brazilian leather:

- China, with share of 26.8% (previous 26.5%) in value and 34.3% (33.8%) in area, down 10.6% (-12.7%) in traded area and also -17.7% (-19.7%) in value;
- US, with share of 18.3% (18.0%) in value and 9.4% (9.3%) in area, down 14.7% (-16.6%) in area and -21.7% (-22.9%) in value;
- Italy, with share of 14.8% (14.8%) in value and 18.4% (18.4%) in area, has reduction of 19.6% (-22.9%) in traded area, and also down 35.8% (-38.4%) considering value.

The three destinations still show declines y-o-y, however, with the improvement of total exports in August, now the three markets show reductions in the falls compared to the period till July. Even being a small betterment, the reactions in the three main destinations enact a change in the sector's course and also a recovery taking place globally.

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 2.3% (+0.7%) in area, but fall of 26.2% (-28.0%) in value; Hong Kong, with share of 4.3% in value, is keeping growth of 15.5% (+17.3%) in area, but down 39.6% (-38.4%) in value; Germany, retaking 5th place, now with share of 4.1% (3.9%) in value, shows decrease of 37.0% (-41.8%) in area, also down 43.6% (-48.2%) in value; and Mexico, with share of 3.9% in value, show a decline of 11.4% (-7.3%) in area, and also down 17.2% (-12.9%) in value. Among the TOP30 destinations, positive exports' highlights go to Poland (+163.6% in value and +260.2% in area), to Lithuania (+56.8% in value and +43.8% in area), and to Turkey (+35.8% in value and +11.9% in area).

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



Some highlights considering exporting states:

- TOP10 exporting states continue with negative rates in values, with only one presenting positive rate in the traded area, being: Mato Grosso do Sul (+2.8%);
- Comparing with period till July, value criteria have shown improvements in total till August. Considering TOP10 states, only Goiás and Mato Grosso do Sul worsened indexes. The largest drops are: Ceará, with -47.5% (previous -51.8%); São Paulo, with -34.1% (-35.2%); Goiás, with -27.9% (-27.7%); Paraná, with -26.0% (-31.0%); Santa Catarina, with -25.7% (-28.6%); and Pará, with -25.3% (-27.8%);
- The state of Rio Grande do Sul increased again its share, maintaining its leadership in exports. Now its share is 28.3% (previous 28.0%) in value and 23.6% (22.9%) in area. São Paulo, despite reducing its share each month, remains in second place in value (share of 14.4%), and fourth in area (share of 11.9%); Goiás is third in value and area, now with 13.9% (14.3%) in value and 14.0% (14.3%) in area; and Paraná, with improved share, remains in fourth place in value, with 13.3% (12.7%), and also second place in area, with 16.0% (15.6%);
- The most expressive growth among all states is Acre, with +407.4% in value and +632.5% in area, ranking 12th.

The month of August registered a reaction of +20.0% in value and +19.7% in volume compared to the previous month. The accumulated exported volume in the year still shows a drop of 14.8% (before -16.7%), and the values now present -26.5% (before -28.2%), improving the situation until July. This growth in August, followed by the reaction that occurred in July, shows that the recovery has been taking place in the main markets, even if slow. August prices still show declines, with the exception of salted hides and Split WB, which remained practically stable. Still on the types of leathers, Split WB was the only one that showed worsening in volumes and values exported in comparison with the accumulated until July.

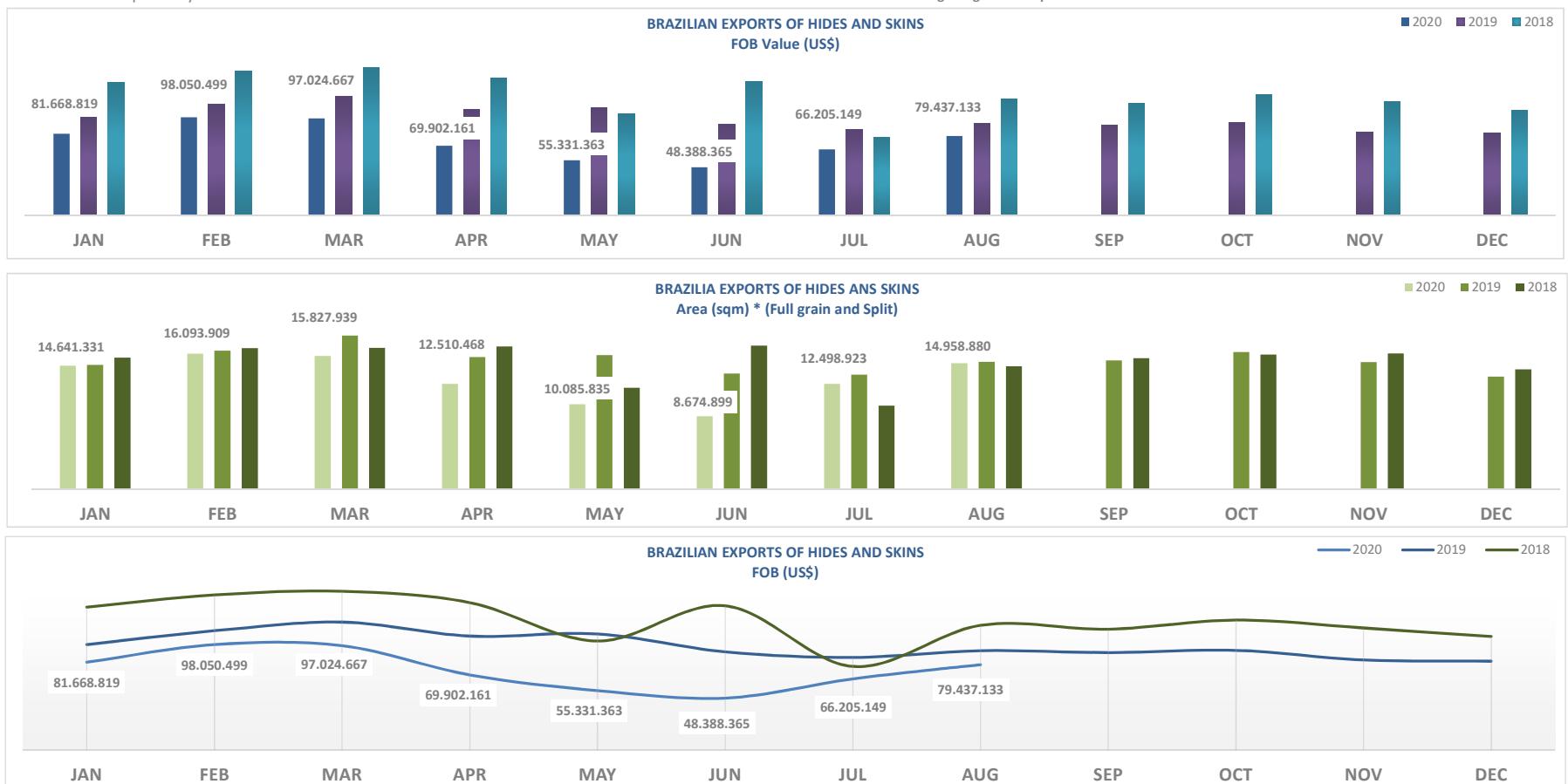
The United States now joins Italy and China in the recovery of purchases of Brazilian leather, showing that the resumption of demand becomes more consistent and the markets have been adapting to the restrictions of the pandemic. The positive signs that are being perceived, both in demand and in shipments, have been strengthening month by month, indicating a second half of the year much better than the first one. -

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	81.668.819	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	97.024.667	118.876.746	147.515.178	-1,0%	-18,4%	-34,2%	15.827.939	18.232.700	16.782.906	-1,7%	-13,2%	-5,7%
APR	69.902.161	105.935.839	136.997.970	-28,0%	-34,0%	-49,0%	12.510.468	15.685.661	16.934.162	-21,0%	-20,2%	-26,1%
MAY	55.331.363	107.847.382	101.387.567	-20,8%	-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	66.205.149	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	79.437.133	92.351.955	115.879.312	20,0%	-14,0%	-31,4%	14.958.880	15.124.597	14.602.513	19,7%	-1,1%	2,4%
SEP								15.293.740	15.567.193			
OCT								16.274.932	15.996.795			
NOV								15.092.702	16.111.481			
DEC								13.371.975	14.245.185			
Total	596.008.156	1.161.004.631	1.442.564.795		-26,5%	-39,8%	105.292.184	183.549.961	181.636.952		-14,8%	-12,0%

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-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	Share 20	2020/2019	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	Share 20	2020/2019
1 China + Hong Kong	184.806.780	235.793.616	313.364.175	31,0%	-21,6%	42.165.113	45.634.762	41.989.320	40,0%	-7,6%
China	159.465.686	193.806.664	263.101.798	26,8%	-17,7%	36.118.143	40.400.929	38.298.298	34,3%	-10,6%
2 United States	108.830.115	139.051.156	169.385.093	18,26%	-21,7%	9.895.513	11.605.752	12.564.474	9,4%	-14,7%
3 Italy	88.318.345	137.498.525	159.815.291	14,82%	-35,8%	19.358.455	24.079.249	23.573.551	18,4%	-19,6%
4 Vietnam	36.348.312	49.259.661	52.258.984	6,1%	-26,2%	9.790.630	9.573.748	10.339.004	9,3%	2,3%
Hong Kong	25.341.094	41.986.952	50.262.377	4,3%	-39,6%	6.046.970	5.233.833	3.691.022	5,7%	15,5%
5 Germany	24.384.384	43.208.491	24.772.107	4,1%	-43,6%	2.377.961	3.777.162	1.725.476	2,3%	-37,0%
6 Mexico	22.984.363	27.747.150	27.342.719	3,86%	-17,2%	2.105.356	2.375.689	1.947.347	2,0%	-11,4%
7 Thailand	17.179.206	24.385.093	35.381.757	2,9%	-29,6%	1.874.120	2.421.372	3.167.820	1,8%	-22,6%
8 Hungary	14.077.416	15.100.970	48.161.479	2,4%	-6,8%	1.240.135	1.173.902	3.475.727	1,2%	5,6%
9 Taiwan	12.512.500	17.709.904	19.393.609	2,1%	-29,3%	4.619.978	6.893.665	6.811.851	4,4%	-33,0%
10 India	9.850.453	14.673.106	10.301.053	1,7%	-32,9%	2.994.463	4.259.513	2.034.761	2,8%	-29,7%
11 Indonesia	8.906.048	9.625.287	18.554.871	1,5%	-7,5%	1.024.310	932.172	1.445.823	1,0%	9,9%
12 South Korea	8.070.622	11.359.731	12.349.624	1,4%	-29,0%	1.103.745	1.650.191	1.423.379	1,0%	-33,1%
13 Netherlands	6.232.899	8.352.039	9.061.479	1,0%	-25,4%	688.551	931.775	790.212	0,7%	-26,1%
14 Norway	5.616.340	5.255.178	8.207.092	0,9%	6,9%	403.918	348.185	492.637	0,4%	16,0%
15 Tunisia	4.649.874	4.942.071	3.992.105	0,8%	-5,9%	305.628	308.839	208.086	0,3%	-1,0%
16 Uruguay	3.663.930	7.261.451	11.001.573	0,6%	-49,5%	450.208	697.244	852.239	0,4%	-35,4%
17 Canada	3.006.286	3.724.297	4.287.370	0,5%	-19,3%	214.686	212.095	242.573	0,2%	1,2%
18 Portugal	2.863.309	5.757.238	6.593.225	0,5%	-50,3%	394.836	743.635	774.038	0,4%	-46,9%
19 Poland	2.584.391	980.357	1.769.478	0,4%	163,6%	271.451	75.355	162.148	0,3%	260,2%
20 Malaysia	2.330.603	5.924.513	8.734.258	0,4%	-60,7%	182.510	526.837	589.480	0,2%	-65,4%
21 Argentina	2.161.780	3.154.561	2.722.151	0,4%	-31,5%	303.571	245.801	231.024	0,3%	23,5%
22 United Kingdom	2.009.572	2.940.020	2.471.078	0,3%	-31,6%	224.225	324.494	221.139	0,2%	-30,9%
23 Macau	1.970.672	0	103.373	0,3%	-	396.049	0	13.375	0,4%	-
24 South Africa	1.950.778	3.074.041	5.912.426	0,3%	-36,5%	358.422	433.574	560.931	0,3%	-17,3%
25 Spain	1.632.053	3.707.382	3.330.690	0,3%	-56,0%	372.249	914.398	936.636	0,4%	-59,3%
26 Lithuania	1.555.098	991.874	1.186.588	0,3%	56,8%	102.431	71.220	67.866	0,1%	43,8%
27 Cambodia	1.465.113	1.895.555	1.083.626	0,2%	-22,7%	197.443	247.400	449.687	0,2%	-20,2%
28 Chile	1.274.509	1.860.087	1.691.804	0,2%	-31,5%	174.674	211.733	167.264	0,2%	-17,5%
29 Denmark	1.256.394	1.416.795	1.844.092	0,2%	-11,3%	99.986	98.417	114.285	0,1%	1,6%
30 Turkey	1.240.604	913.217	2.664.205	0,2%	35,8%	159.962	142.990	438.886	0,2%	11,9%
Others (2020: +48 countries)	12.275.407	23.850.094	22.746.602	2,1%	-48,5%	1.441.605	2.605.443	1.905.259	1,4%	-44,7%
Total	596.008.156	811.413.460	990.483.977		-26,5%	105.292.184	123.516.612	119.716.298		-14,8%

Source: MDIC/SECEX - Prepared by: CICB

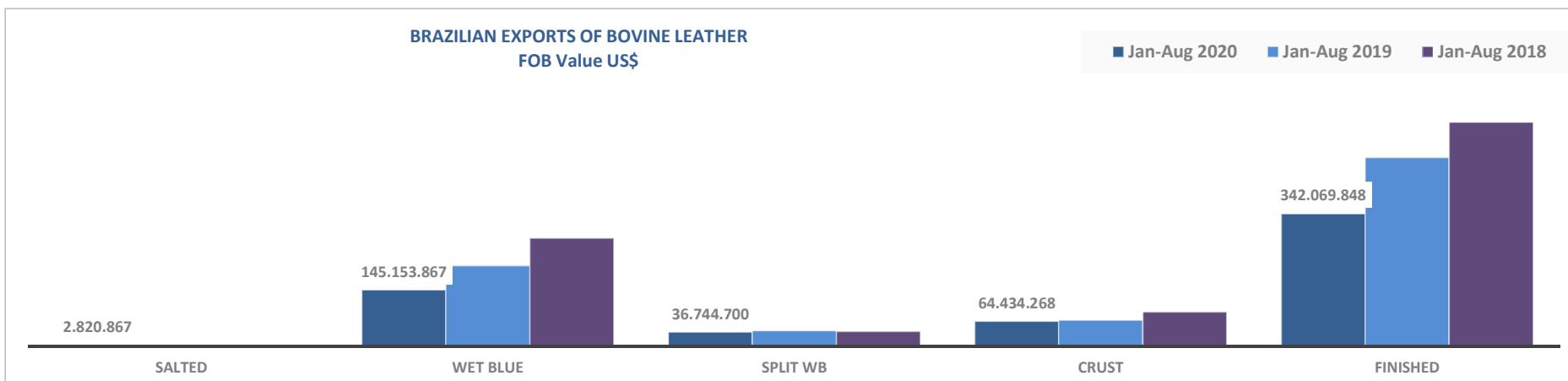
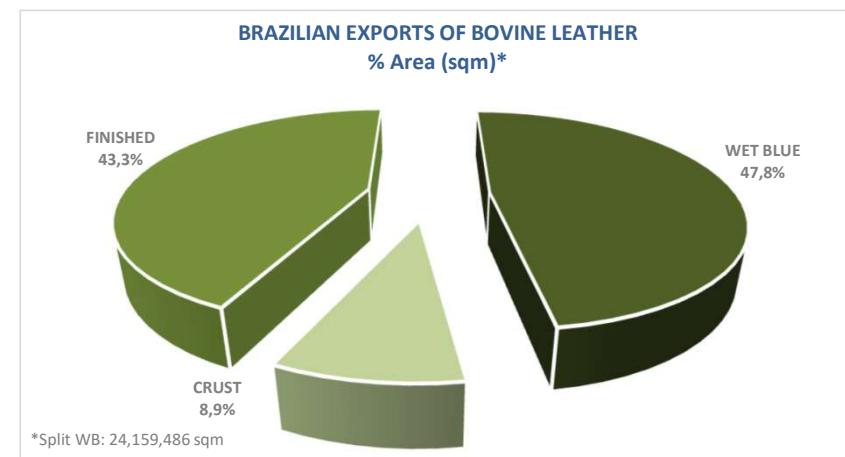
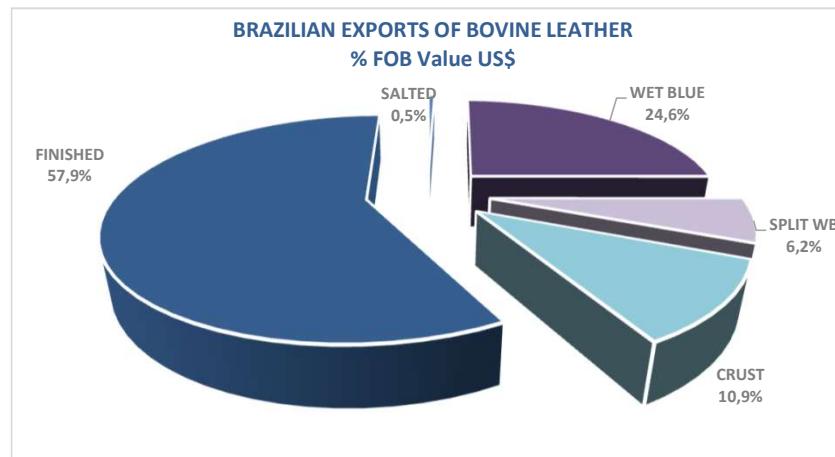
*Area including Full grain and Split

4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)				Δ		AREA (sqm)*				Δ		WEIGHT (KG)				Δ		
	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	2020/2019	2020/2018	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	2020/2019	2020/2018	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	2020/2019	2020/2018	Jan-Aug 2020	Jan-Aug 2019	2020/2019	2020/2018
SALTED	2.820.867	1.997.825	2.082.489	41,2%	35,5%	-	-	-	-	-	10.638.541	3.718.126	3.235.880	186,1%	228,8%				
WET BLUE	145.153.867	208.077.542	279.114.727	-30,2%	-48,0%	38.636.070	45.430.683	39.840.277	-15,0%	-3,0%	164.853.202	188.275.970	158.805.511	-12,4%	3,8%				
SPLIT WB	36.744.700	40.116.985	38.263.340	-8,4%	-4,0%	-	-	-	-	-	70.557.941	74.402.749	78.534.761	-5,2%	-10,2%				
CRUST	64.434.268	67.252.094	88.439.063	-4,2%	-27,1%	7.199.172	6.922.857	8.189.985	4,0%	-12,1%	6.928.196	6.698.184	14.587.557	3,4%	-52,5%				
FINISHED	342.069.848	487.476.126	578.306.546	-29,8%	-40,8%	35.065.736	44.804.677	44.965.558	-21,7%	-22,0%	30.631.664	40.484.618	38.792.211	-24,3%	-21,0%				
Total	591.223.550	804.920.572	986.206.165	-26,5%	-40,1%	80.900.978	97.158.217	92.995.820	-16,7%	-13,0%	283.609.544	313.579.647	293.955.920	-9,6%	-3,5%				

Source: MDIC/SECEX - Prepared by: CICB

*Only full grain



5 - BRAZILIAN EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)			Share	Δ		AREA* (sqm)			Share	Δ	
	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	2020	2020/2019	2020/2018	Jan-Aug 2020	Jan-Aug 2019	Jan-Aug 2018	2020	2020/2019	2020/2018
1 Rio Grande do Sul	168.409.524	214.270.640	236.919.683	28,3%	-21,4%	-28,9%	24.813.785	26.491.791	25.619.481	23,6%	-6,3%	-3,1%
2 São Paulo	85.604.490	129.829.527	179.715.676	14,4%	-34,1%	-52,4%	12.560.994	17.226.572	19.725.974	11,9%	-27,1%	-36,3%
3 Goiás	82.911.557	115.010.698	149.114.832	13,9%	-27,9%	-44,4%	14.771.768	19.237.438	18.726.920	14,0%	-23,2%	-21,1%
4 Paraná	79.175.490	107.066.002	102.367.980	13,3%	-26,0%	-22,7%	16.883.387	20.640.201	15.564.110	16,0%	-18,2%	8,5%
5 Mato Grosso do Sul	39.611.934	45.362.238	57.208.086	6,6%	-12,7%	-30,8%	10.024.177	9.747.442	8.133.911	9,5%	2,8%	23,2%
6 Bahia	36.986.737	47.833.447	69.262.684	6,2%	-22,7%	-46,6%	6.323.161	6.521.291	8.012.138	6,0%	-3,0%	-21,1%
7 Santa Catarina	31.450.582	42.335.690	56.471.026	5,3%	-25,7%	-44,3%	5.553.185	6.090.404	6.454.056	5,3%	-8,8%	-14,0%
8 Ceará	19.962.699	38.033.192	47.709.620	3,3%	-47,5%	-58,2%	2.226.815	4.204.329	4.538.269	2,1%	-47,0%	-50,9%
9 Minas Gerais	18.019.301	23.819.992	24.946.373	3,0%	-24,4%	-27,8%	3.631.615	4.124.929	3.901.393	3,4%	-12,0%	-6,9%
10 Pará	14.173.377	18.986.211	34.630.866	2,4%	-25,3%	-59,1%	3.684.858	3.817.598	4.593.985	3,5%	-3,5%	-19,8%
11 Mato Grosso	6.937.756	15.884.788	23.709.969	1,2%	-56,3%	-70,7%	1.821.761	3.251.583	3.468.716	1,7%	-44,0%	-47,5%
12 Acre	2.285.892	450.486	0	0,4%	407,4%	-	682.557	93.185	0	0,6%	632,5%	-
13 Rio de Janeiro	2.063.907	2.241.860	1.745.589	0,3%	-7,9%	18,2%	19.016	64.098	36.447	0,02%	-70,3%	-47,8%
14 Rondônia	1.795.260	1.617.380	0	0,3%	11,0%	-	560.682	387.365	0	0,5%	44,7%	-
15 Amazonas	1.739.816	1.970.078	750.261	0,3%	-11,7%	131,9%	786.297	581.693	139.908	0,7%	35,2%	462,0%
16 Tocantins	1.486.907	2.153.271	1.131.050	0,2%	-30,9%	31,5%	477.553	494.137	159.312	0,5%	-3,4%	199,8%
17 Pernambuco	922.880	577.886	949.542	0,2%	59,7%	-2,8%	32.237	37.009	84.685	0,03%	-12,9%	-61,9%
18 Piauí	649.044	2.577.756	640.993	0,1%	-74,8%	1,3%	39.572	230.578	64.269	0,04%	-82,8%	-38,4%
19 Sergipe	575.583	398.053	626.650	0,1%	44,6%	-8,1%	185.107	114.446	154.911	0,2%	61,7%	19,5%
20 Amapá	475.129	339.229	264.653	0,1%	40,1%	79,5%	0	0	0	0,0%	-	-
21 Maranhão	401.104	641.181	1.530.086	0,1%	-37,4%	-73,8%	152.426	160.315	260.848	0,1%	-4,9%	-41,6%
22 Distrito Federal	297.705	0	0	0,05%	-	-	60.987	0	0	0,06%	-	-
23 Rio Grande do Norte	48.803	0	0	0,01%	-	-	0	0	0	0,0%	-	-
24 Espírito Santo	22.679	13.855	15.696	0,004%	63,7%	44,5%	244	208	167	0,000%	17,3%	46,1%
25 Not Declared*	0	0	772.662	0,0%	-	-100,0%	0	0	76.798	0,0%	-	-100,0%
Total	596.008.156	811.413.460	990.483.977	100,0%	-26,5%	-39,8%	105.292.184	123.516.612	119.716.298	100,0%	-14,8%	-12,0%

Source: MDIC/SECEX - Prepared by: CICB

*Exporter did not declare the state of origin

