



Brazilian leather

BRAZILIAN EXPORTS OF HIDES AND SKINS

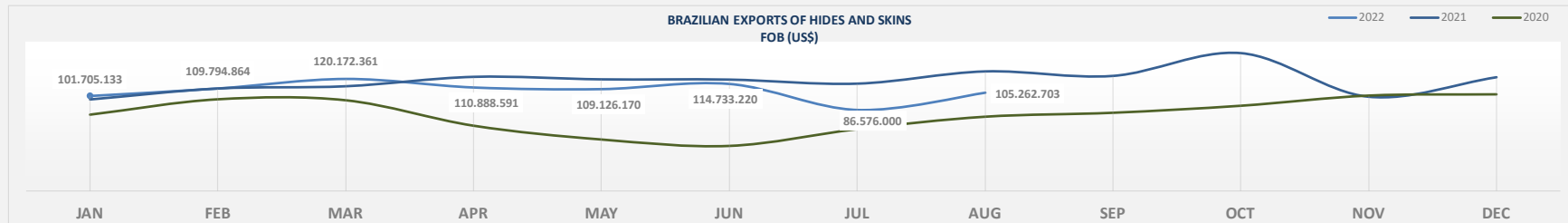
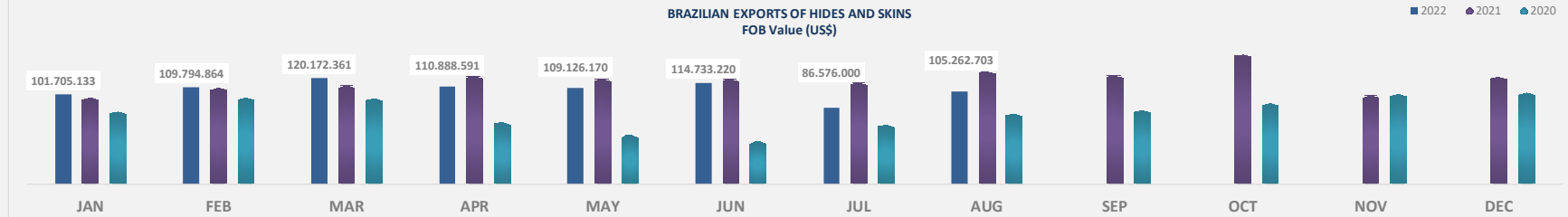
August 2022

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BRAZILIAN EXPORTS OF HIDES AND SKINS

MONTH	FOB VALUE (US\$)			Δ (%)			AREA (sqm)			Δ (%)			WEIGHT (Kg)			Δ (%)		
	2022	2021	2020	MONTH 2021	2022/2021	2022/2020	2022	2021	2020	MONTH 2021	2022/2021	2022/2020	2022	2021	2020	MONTH 2021	2022/2021	2022/2020
JAN	101.705.133	97.842.657	81.668.858	-16,3%	3,9%	24,5%	12.064.459	14.794.446	14.641.337	-5,2%	-18,5%	-17,6%	30.528.266	38.010.157	39.515.855	2,9%	-19,7%	-22,7%
FEB	109.794.864	109.528.720	98.050.502	8,0%	0,2%	12,0%	11.518.390	15.698.373	16.093.955	-4,5%	-26,6%	-28,4%	25.501.719	38.218.258	41.069.707	-16,5%	-33,3%	-37,9%
MAR	120.172.361	111.927.496	96.997.936	9,5%	7,4%	23,9%	13.625.301	15.133.632	15.827.958	18,3%	-10,0%	-13,9%	31.859.620	34.265.446	37.463.401	24,9%	-7,0%	-15,0%
APR	110.888.591	121.951.096	69.882.283	-7,7%	-9,1%	58,7%	11.774.823	16.318.524	12.510.483	-13,6%	-27,8%	-5,9%	28.030.830	36.417.387	30.043.895	-12,0%	-23,0%	-6,7%
MAY	109.126.170	119.279.811	55.183.982	-1,6%	-8,5%	97,7%	11.200.003	15.163.923	10.065.078	-4,9%	-26,1%	11,3%	24.982.778	33.656.700	28.624.906	-10,9%	-25,8%	-12,7%
JUN	114.733.220	119.014.618	48.359.626	5,1%	-3,6%	137,3%	13.377.656	14.251.467	8.673.424	19,4%	-6,1%	54,2%	32.538.087	31.809.207	26.925.237	30,2%	2,3%	20,8%
JUL	86.576.000	114.704.199	66.205.213	-24,5%	-24,5%	30,8%	9.168.223	12.987.305	12.498.957	-31,5%	-29,4%	-26,6%	21.825.224	28.797.843	38.114.991	-32,9%	-24,2%	-42,7%
AUG	105.262.703	127.753.281	79.465.110	21,6%	-17,6%	32,5%	12.398.155	15.456.776	14.965.253	35,2%	-19,8%	-17,2%	32.250.962	31.412.555	42.425.488	47,8%	2,7%	-24,0%
SEP		122.947.850	83.687.412					13.406.581	15.976.282					32.398.066	45.844.633			
OCT		147.230.475	91.164.639					15.861.118	16.061.025					35.079.112	43.793.546			
NOV		100.737.179	102.004.642					10.511.289	17.398.496					25.844.344	47.350.592			
DEC		121.530.065	103.329.787					12.723.535	16.769.768					29.669.508	40.510.343			
Total	858.259.042	1.414.447.447	975.999.990		-6,9%	44,0%	95.127.010	172.306.969	171.482.016		-20,6%	-9,6%	227.517.486	395.578.583	461.682.594		-16,5%	-19,9%

Source: SECEX - Prepared by: CIBC



■ ANALYSIS OF TOTAL EXPORTS

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The exports of hides and skins presented by SECEX (Secretariat of Foreign Trade) of the Ministry of Economy and analyzed by CICB, referring to the month of August 2022, registered the value of US\$ 105.3 million, which means a reduction of 17.6% compared to the same month last year, when US\$ 127.8 million were exported, but an increase of 21.6% over the previous month.

As for the total exported in square meters, 12.4 million were shipped in August, 19.8% below the same month in 2021, but 35.2% above July, when the total was 9.2 million sqm.

The period from January to August ended with exports of US\$ 858.3 million, a decrease of 6.9% compared to the same period in 2021, and 20.6% lower in traded area, with 95.2 million square meters.

BRAZILIAN EXPORTS OF HIDES AND SKINS BY DESTINATION

COUNTRIES	FOB VALUE (US\$)			Share	Δ	AREA (sqm)			Share	Δ	WEIGHT (KG)			Share	Δ
	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020
1 China + Hong Kong	240.880.050	316.729.557	184.390.659	28,1%	-23,9%	35.233.182	47.386.334	42.075.578	37,0%	-25,6%	93.563.995	124.304.455	121.309.024	41,1%	-24,7%
China	196.354.812	274.970.412	159.049.560	22,9%	-28,6%	13.115.889	14.715.702	14.197.088	31,6%	-29,5%	35.204.283	38.595.028	38.214.641	35,4%	-27,9%
2 United States	162.217.722	136.021.652	108.805.554	18,9%	19,3%	3.919.996	3.927.349	5.310.414	11,1%	-4,7%	3.361.770	3.432.059	4.448.706	4,0%	-4,3%
3 Italy	145.047.996	129.466.781	88.733.359	16,9%	12,0%	6.337.704	8.482.030	8.947.349	18,5%	-3,3%	21.150.266	29.033.249	33.227.952	25,9%	8,7%
4 Vietnam	45.618.750	69.220.804	36.348.643	5,3%	-34,1%	2.780.533	5.124.734	4.816.847	8,3%	-40,6%	6.769.359	11.378.328	11.537.210	8,4%	-35,9%
Hong Kong	44.525.238	41.759.145	25.341.099	5,2%	6,6%	2.301.600	1.802.705	2.896.118	5,5%	8,0%	6.054.192	5.130.113	8.828.690	5,8%	2,6%
5 Germany	35.920.791	34.797.709	24.384.381	4,2%	3,2%	942.601	1.213.924	1.265.227	2,6%	-18,4%	786.905	1.094.025	1.121.860	0,9%	-26,3%
6 Thailand	31.224.976	26.007.695	17.179.211	3,6%	20,1%	797.272	637.261	1.029.004	2,3%	-6,3%	831.106	641.361	1.193.962	1,7%	-9,9%
7 Mexico	30.085.291	33.360.831	22.945.372	3,5%	-9,8%	776.253	967.709	855.690	1,9%	-12,7%	1.048.456	1.988.628	1.737.379	0,8%	-6,0%
8 South Korea	16.648.448	27.023.906	8.070.626	1,9%	-38,4%	682.769	641.745	515.089	1,7%	-34,5%	1.385.928	769.220	1.086.974	1,6%	1,7%
9 Hungary	15.738.920	18.796.886	14.077.419	1,8%	-16,3%	445.652	739.121	559.183	1,1%	-28,5%	411.549	667.249	492.679	0,4%	-28,3%
10 Indonesia	14.785.504	10.951.774	8.906.055	1,7%	35,0%	1.234.432	2.110.969	1.551.400	1,3%	14,3%	2.945.428	5.696.518	4.288.345	0,4%	-4,1%
11 Taiwan	13.021.508	15.308.901	12.512.525	1,5%	-14,9%	336.082	443.783	384.076	3,5%	-32,6%	258.447	334.917	348.129	3,7%	-33,5%
12 India	10.045.505	6.791.753	9.845.390	1,2%	47,9%	275.520	279.866	286.255	1,2%	34,9%	247.883	259.335	330.212	1,7%	73,8%
13 Norway	9.477.926	8.908.615	5.616.342	1,1%	6,4%	269.141	460.727	1.267.147	0,6%	-6,3%	965.502	1.287.214	4.436.515	0,2%	-10,9%
14 Netherlands	8.313.907	8.562.685	6.232.902	1,0%	-2,9%	255.530	142.937	111.756	0,7%	-9,8%	210.894	110.290	98.667	0,3%	-11,2%
15 Argentina	7.822.025	4.763.264	2.161.779	0,9%	64,2%	217.634	142.227	86.791	0,6%	14,7%	190.612	133.559	74.442	0,3%	29,1%
16 Tunisia	6.295.889	7.196.714	4.649.871	0,7%	-12,5%	149.691	183.103	148.209	0,4%	-18,8%	229.691	286.187	249.737	0,3%	-18,2%
17 Poland	6.272.710	4.829.989	2.584.385	0,7%	29,9%	214.148	157.712	85.190	0,6%	18,8%	289.102	166.913	145.204	0,2%	25,1%
18 Malaysia	5.468.896	5.077.969	2.330.600	0,6%	7,7%	113.831	158.496	103.549	0,4%	-9,8%	95.462	120.598	86.526	0,1%	-7,0%
19 Uruguay	4.940.403	6.451.363	3.663.838	0,6%	-23,4%	231.705	437.990	205.725	0,7%	-29,0%	900.893	1.309.905	1.128.584	1,2%	-16,1%
20 Chile	4.066.678	3.340.946	1.274.510	0,5%	21,7%	104.756	39.069	75.416	0,5%	14,1%	104.298	74.833	91.416	0,2%	23,4%
21 France	3.636.718	1.036.928	1.220.723	0,4%	250,7%	459.625	1.068.774	141.914	0,2%	191,9%	1.254.537	2.895.171	385.225	0,1%	196,2%
22 Canada	3.202.421	3.447.285	3.006.295	0,4%	-7,1%	47.576	12.276	27.530	0,2%	-17,1%	76.790	19.491	37.300	0,1%	-10,1%
23 Spain	3.042.456	5.153.418	1.632.050	0,4%	-41,0%	63.263	208.223	141.404	1,0%	-56,6%	45.859	157.422	108.421	1,2%	-55,3%
24 Portugal	2.929.169	4.386.150	2.863.309	0,3%	-33,2%	108.531	168.740	214.547	0,3%	-41,9%	270.837	296.212	473.246	0,3%	-20,4%
25 Dominican Republic	2.774.562	1.485.791	1.144.259	0,3%	86,7%	335.321	255.278	0	0,3%	93,6%	1.286.340	663.070	0	0,4%	95,3%
26 South Africa	2.470.579	4.719.873	1.950.773	0,3%	-47,7%	109.722	144.925	192.979	0,3%	-43,5%	108.904	282.339	361.559	0,1%	-63,9%
27 Australia	2.290.122	2.956.483	1.051.993	0,3%	-22,5%	87.999	89.896	139.674	0,1%	-30,4%	259.667	290.159	484.243	0,1%	-34,9%
28 Macau	2.274.118	3.867.742	1.970.665	0,3%	-41,2%	46.469	71.385	84.087	0,3%	-32,6%	43.334	60.177	67.100	0,7%	-33,1%
29 Switzerland	2.270.085	5.183.426	375	0,3%	-56,2%	83.658	44.230	32.522	0,7%	-35,7%	253.230	116.320	81.088	1,2%	0,7%
30 United Kingdom	2.231.653	1.617.406	1.884.970	0,3%	38,0%	43.886	44.065	34.700	0,2%	20,1%	39.795	38.394	33.912	0,1%	-1,2%
Others (2022: +42 countries)	17.243.264	14.537.582	14.374.677	2,0%	18,6%	1.185.869	1.449.741	1.674.890	1,2%	-18,2%	5.736.565	4.632.739	10.452.422	2,5%	23,8%
Total	858.259.042	922.001.878	595.813.510		-6,9%	95.127.010	119.804.446	105.276.445		-20,6%	227.517.486	272.587.553	284.183.480		-16,5%

Source: MDIC/SECEX - Prepared by: CICB

■ ANALYSIS OF DESTINATIONS

From January to August of this year, the three main destinations for Brazilian leather show the following information:

- China (without HK) has a share of 22.9% (from 23.1%) in value and 31.6% (31.8%) in area, with a monetary fall of 28.6% (-26.3 %), and -29.5% (-28.8%) in area.

- United States maintains a share of 18.9% (18.9%) in value, and with 11.1% (11.0%) in area, showing an increase of 19.3% (+20.7%) in value, but still a drop of 4.7% (-6.9%) in area.

- Italy with a share of 16.9% (16.8%) in value and 18.5% (18.1%) in area, with an increase of 12.0% (+9.2%) in value and a fall of 3.3% (-1.0%) in area.

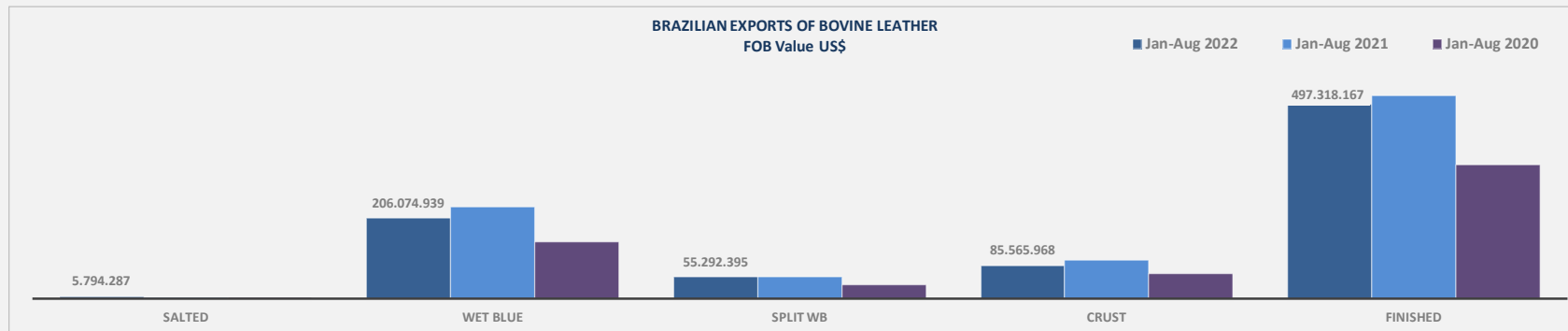
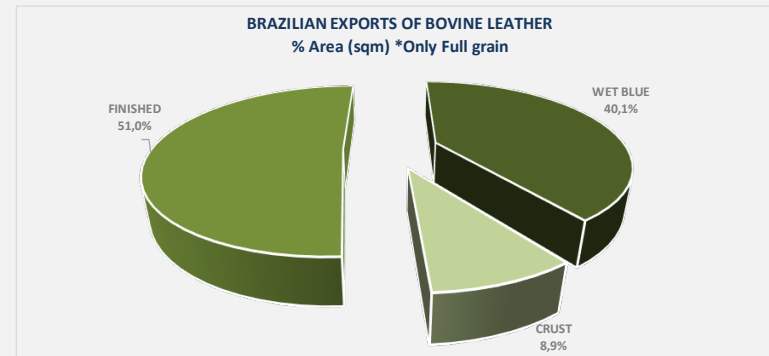
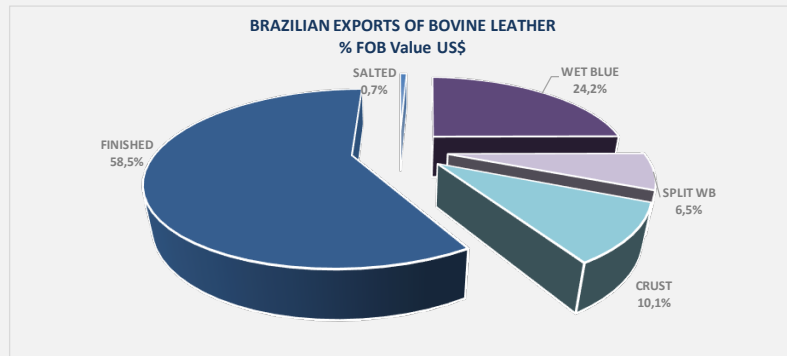
The worrying world economic situation continues to impact the sector's external demand in the three main destinations. However, the worst performance continues to be from China. Each month the indexes worsen, reflecting the situation of increasingly strict restrictions in that country, which hamper the recovery of the local economy and seem to have no end.

Extending our analysis to the ten largest importers, we have positive records in values for four destinations: Indonesia (+35.0%), Thailand (+20.1%), Hong Kong (+6.6%) and Germany (+3.2%). Among the thirty largest buyers of Brazilian leather, the best performance in this interim is that of France, with an increase of 250.7% in value and 191.9% in area over the same period of the previous year.

3 BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)			Δ		WEIGHT (KG)			Δ	
	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022/2021	2022/2020	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022/2021	2022/2020	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022/2021	2022/2020
SALTED	5.794.287	3.840.173	2.820.790	50,9%	105,4%	-	-	-	-	-	6.630.957	4.776.800	10.638.541	38,8%	-37,7%
WET BLUE	206.074.939	235.926.127	145.143.712	-12,7%	42,0%	28.160.751	32.220.665	38.636.076	-12,6%	-27,1%	114.753.617	127.397.190	164.853.214	-9,9%	-30,4%
SPLIT WB	55.292.395	55.683.642	36.735.728	-0,7%	50,5%	24.618.851	32.475.275	24.159.563	-24,2%	1,9%	68.065.861	91.208.259	70.557.947	-25,4%	-3,5%
CRUST	85.565.968	99.275.031	64.436.855	-13,8%	32,8%	6.286.714	8.861.450	7.199.169	-29,1%	-12,7%	6.453.969	8.327.518	6.928.289	-22,5%	-6,8%
FINISHED	497.318.167	519.452.929	341.891.823	-4,3%	45,5%	35.803.271	45.915.494	35.049.919	-22,0%	2,1%	31.233.061	40.251.899	30.611.581	-22,4%	2,0%
Total	850.045.756	914.177.902	591.028.908	-7,0%	43,8%	94.869.587	119.472.884	105.044.727	-20,6%	-9,7%	227.137.465	271.961.666	283.589.572	-16,5%	-19,9%

Source: MDIC/SECEX - Prepared by: CICB



■ ANALYSIS OF EXPORTS BY TYPE OF LEATHER

The following variations were registered in Brazilian exports of bovine leather by type, in the eight-month period of 2022, compared to the previous year:

- Wet Blue with reductions in value of 12.7% (-11.8%) and area reduction of 12.6% (-11.6%).
- WB Split with drops of 0.7% (+0.4%) in value and 24.2% (-24.3%) in area.
- Crust with drops of 13.8% (-11.2%) in value and 29.1% (-28.5%) in area.
- Finished with reductions of 4.3% (-2.1%) and 22.0% (-22.6%) in area.

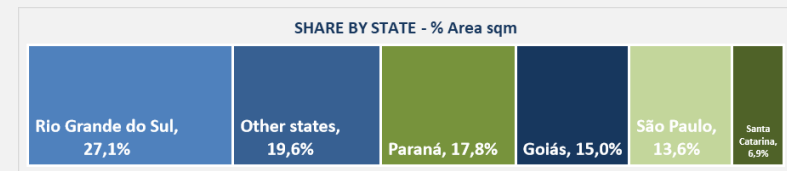
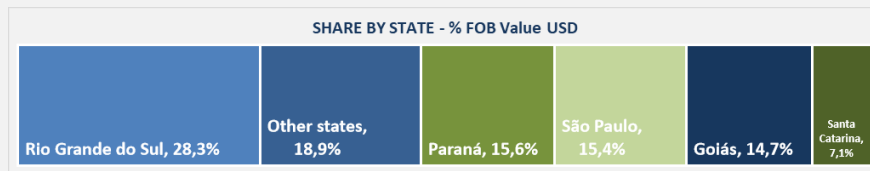
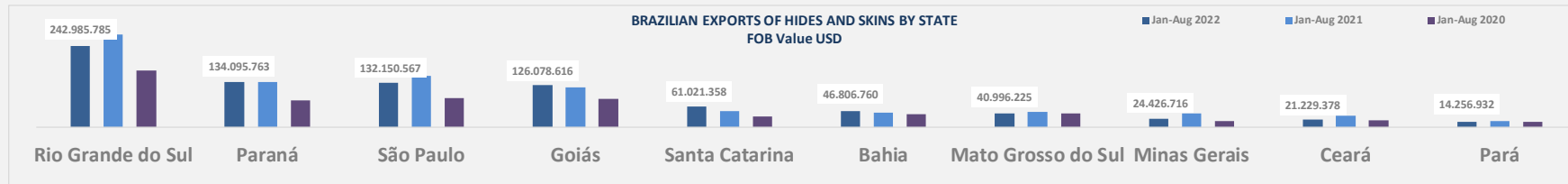
Except for Crust Leather, there were increases in exports in terms of values and volumes of all types of leathers compared to the previous month. Despite this, there were still declines considering the same month last year. Wet Blue, after a strong reduction in exports in July, reacted and returned to show values and volumes above the monthly averages for the year.

Regarding shipments of Salted hides, the total from January to August of this year has already surpassed all exports in 2021, considering values and volumes.

EXPORTS OF HIDES AND SKINS BY STATE

	FOB VALUE (US\$)					Δ	AREA (sqm)					Δ	WEIGHT (KG)					Δ
	Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020		Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020		Jan-Aug 2022	Jan-Aug 2021	Jan-Aug 2020	2022	2021/2020	
1 Rio Grande do Sul	242.985.785	275.948.775	168.384.774	28,3%	-11,9%	25.799.797	35.426.262	24.813.874	27,1%	-27,2%	47.293.350	61.709.634	50.564.136	20,8%	-23,4%			
2 Paraná	134.095.763	133.473.204	79.050.930	15,6%	0,5%	16.951.745	17.992.518	16.862.636	17,8%	-5,8%	43.195.780	45.500.408	45.172.762	19,0%	-5,1%			
3 São Paulo	132.150.567	152.708.698	85.599.222	15,4%	-13,5%	12.914.900	18.488.005	12.567.367	13,6%	-30,1%	24.353.201	36.830.441	27.800.173	10,7%	-33,9%			
4 Goiás	126.078.616	119.031.575	82.913.687	14,7%	5,9%	14.278.133	15.404.316	14.770.285	15,0%	-7,3%	39.912.320	42.966.918	42.715.581	17,5%	-7,1%			
5 Santa Catarina	61.021.358	46.742.494	31.445.551	7,1%	30,5%	6.545.917	6.299.237	5.553.193	6,9%	3,9%	18.459.086	16.512.303	15.708.351	8,1%	11,8%			
6 Bahia	46.806.760	43.236.661	36.986.767	5,5%	8,3%	5.405.580	5.971.346	6.323.189	5,7%	-9,5%	8.944.048	11.686.443	12.022.794	3,9%	-23,5%			
7 Mato Grosso do Sul	40.996.225	45.967.494	39.597.490	4,8%	-10,8%	5.767.320	6.672.018	10.024.168	6,1%	-13,6%	21.173.426	24.121.285	40.534.658	9,3%	-12,2%			
8 Minas Gerais	24.426.716	39.465.077	18.019.310	2,8%	-38,1%	3.059.933	6.628.042	3.631.612	3,2%	-53,8%	5.255.537	11.603.441	5.760.631	2,3%	-54,7%			
9 Ceará	21.229.378	33.255.172	19.962.683	2,5%	-36,2%	1.385.900	3.328.232	2.226.827	1,5%	-58,4%	1.596.195	4.379.253	3.476.651	0,7%	-63,6%			
10 Pará	14.256.932	17.799.815	14.173.386	1,7%	-19,9%	2.013.003	2.233.906	3.684.850	2,1%	-9,9%	10.006.889	10.234.211	16.576.286	4,4%	-2,2%			
11 Mato Grosso	5.388.357	6.210.841	6.914.993	0,6%	-13,2%	682.984	833.330	1.821.760	0,7%	-18,0%	2.637.271	3.201.966	7.206.919	1,2%	-17,6%			
12 Rio de Janeiro	3.378.307	2.963.833	2.063.905	0,4%	14,0%	58.891	55.060	19.016	0,1%	7,0%	36.332	57.915	350.084	0,02%	-37,3%			
13 Piauí	1.736.723	1.817.272	649.042	0,2%	-4,4%	96.950	154.069	39.578	0,1%	-37,1%	53.679	86.745	21.855	0,02%	-38,1%			
14 Rio Grande do Norte	1.146.413	110.398	48.803	0,1%	938,4%	0	0	0	0,0%	-	2.130.700	140.560	161.800	0,9%	1415,9%			
15 Pernambuco	769.627	712.149	922.880	0,1%	8,1%	23.817	26.073	32.238	0,0%	-8,7%	1.104.273	1.375.761	2.432.381	0,5%	-19,7%			
16 Amazonas	747.152	591.485	1.739.817	0,1%	26,3%	82.011	78.914	786.299	0,1%	3,9%	418.995	613.613	2.675.198	0,2%	-31,7%			
17 Amapá	634.510	350.874	475.131	0,1%	80,8%	0	0	0	0,0%	-	725.675	631.800	1.261.042	0,3%	14,9%			
18 Distrito Federal	235.120	1.397.989	297.704	0,03%	-83,2%	36.593	174.204	60.987	0,04%	-79,0%	184.720	845.707	341.225	0,1%	-78,2%			
19 Maranhão	136.070	114.039	401.104	0,02%	19,3%	18.577	29.815	152.427	0,02%	-37,7%	14.612	43.510	435.091	0,01%	-66,4%			
20 Tocantins	21.692	84.532	1.486.907	0,003%	-74,3%	4.750	8.902	477.550	0,005%	-46,6%	21.285	45.550	2.294.876	0,01%	-53,3%			
21 Espírito Santo	15.606	18.398	22.678	0,002%	-15,2%	143	181	244	0,000%	-21,0%	78	76	118	0,000%	2,6%			
22 Not Declared*	1.365	1.103	0	0,000%	23,8%	66	16	0	0,000%	312,5%	34	13	0	0,000%	161,5%			
23 Acre	0	0	2.285.899	0,0%	-	0	0	682.556	0,0%	-	0	0	3.226.499	0,0%	-			
24 Rondônia	0	0	1.795.262	0,0%	-	0	0	560.685	0,0%	-	0	0	2.583.835	0,0%	-			
25 Sergipe	0	0	575.585	0,0%	-	0	0	185.104	0,0%	-	0	0	860.534	0,0%	-			
Total	858.259.042	922.001.878	595.813.510	100,0%	-6,9%	95.127.010	119.804.446	105.276.445	100,0%	-20,6%	227.517.486	272.587.553	284.183.480	100,0%	-16,5%			

Source: SECEX - Prepared by CICB - *Advanced shipping, without prior information on the state of origin by the exporter



■ ANALYSIS OF STATES

The exports of the Brazilian states, in the accumulated of the year, present the following highlights:

- Among the ten largest exporters, four states continue with positive indexes in terms of value: Santa Catarina, with +30.5% (+32.6%); Bahia, with +8.3% (+14.6%); Goiás, maintaining +5.9% (+5.9%); and Paraná, with +0.5% (+3.6%). The other states show reductions, where the strongest falls are in Minas Gerais, with -38.1% (-36.8%) and Ceará, with -36.2% (-33.9%). Following this pace, we will have few states with positive monetary indexes in the coming months.

- Regarding the volume exported, the state of Santa Catarina continues to be the only positive highlight among the TOP10, with +3.9% (+0.3%) in area and +11.8% (+20.5%) in weight. The sharpest falls remain in Ceará (-58.4%) and Minas Gerais (-53.8%).

- Expanding the analysis to the other states, Rio Grande do Norte continues to increase its exports of salted hides month by month, reaching now +938.4% (+713.5%).

- The positioning in the Ranking of Exporters did not change compared to the previous month, with the Gauchos (Rio Grande do Sul) leading in terms of value (share of 28.3%) and volume (share of 27.1% in area and 20.8% in weight).

■ CLOSING REMARKS

In August, we had a recovery in exports of Hides and Skins, after reaching the lowest monthly value in almost two years in July. The growth of 21.6% in value over the previous month, in addition to +35.2% in area, represents a re-establishment of the average monthly levels for the year.

The world economic situation currently shows a negative outlook, with emphasis on Europe. The energy crisis in the old continent does not show a solution in the short term, and the conflict in Ukraine is prolonged and demonstrates that it can last for months or even years. In addition, double-digit inflation and the frequent devaluation of the Euro directly reflect on consumption, harming local industries and in several countries.

In China, the news in recent weeks shows that the latest round of lockdowns affected around 300 million people, echoing a major disruption in the leather sector as well. Hebei province, a region where tanneries are concentrated in the north of the country, is completely closed to production.

With this scenario, it is unlikely that new business in the last quarter of the year will not be impacted. -