CONSEIL NATIONAL DU CUIR

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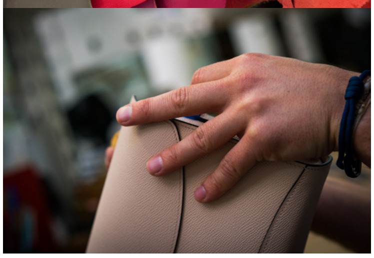
GLOBAL TRADE IN THE LEATHER SECTOR IN 2017: THE KEY FIGURES

The dynamism of Italy and France, the 2nd and 4th largest global exporters taking all products into account, has allowed Europe to win back market share in certain sectors of the leather industry. In contrast, Asia has seen China, its lead country, progressively lose market share, down by some 11 points between 2010 and 2017.



ITALY AND FRANCE, THE EUROPEAN LEADERS OF THE GLOBAL LEATHER SECTOR IN 2017

In the leather industry, Europe represents **one third of global exports (35%), half of which come from Italy (12%) and France (4%)**. Holding respectively second and fourth place in exports across all sectors, these European leaders are particularly prominent **in the premium and luxury sectors**. **Italy continues to hold the number one place among the leading global exporters of finished leathers (22%)** and mainly supplies China, Romania, Hong Kong, the United States and Spain, while **France** exports 6% of the leathers and raw hides in the world and maintains its **third place**.

The passion for luxury items, mainly handbags, clothing and accessories, allows **France** and **Italy** to continue to reach an international audience, thanks to t**heir irreplaceable know-how and the image of the great fashion houses.** France is the world's 5th largest exporter of leather clothing and accessories, behind Italy which has climbed to 2nd place. However, **leather goods remain the real driver of the sector**: **Italy (2nd place)** represents 15% of exports of leather goods items, closely followed by **France (3rd place)** which exports around 10.5% of these items around the world, notably to Hong Kong, the United States and Singapore.

ASIA, REDRAWING THE MAP

Taking all sectors into account, **exports from Asia represent 59% of the global total**, a percentage that has remained stable for the last ten years. The four main Asian exporters are **China (1st), Vietnam (3rd), Indonesia (5th) and India (7th)**. This quartet represent some 52% of global exports.

One notable fact over the last ten years has been the redrawing of the map within the Asian continent. In 2017, despite its first place in the rankings, China represented just 34% of global exports, against 45% in 2010. **This shrinkage from the Asian giant was particularly beneficial to Vietnam which has earned 6 points of market share since 2010 and 8 since 2000.** The situation is most notable within the **footwear sector**. In general, **65%** of global footwear imports come **from Asia** and **30% from Europe**. Although it is true that the shoes are mainly of Chinese origin, China has actually lost 10 points of market share over the last decade, while **Vietnam and Indonesia have respectively gained 8 and 2.5 points**. The United States are the largest importers of shoes from this leading trio.

For the last 10 years, China has been the world leader in the leather sector but it is **facing increasing competition** in footwear (**down 10 points**), leather goods (**down 14 points**) and leather clothing (**down 16 points**) **from its Asian neighbours**, who manage to combine **inexpensive labour** and a **level of quality that is sometimes superior**, as well as **from European countries** situated in the **premium segment**.

THE AMERICAS, EXPORTERS OF RAW MATERIALS AND IMPORTERS OF FINISHED GOODS.

In value terms, 37% of leathers and raw hides and 25% of finished leathers exported in the world come from the American continent. These figures have changed little in 10 years.

The United States is still the world's leading exporter of leathers and raw hides (28% of global exports) ahead of Canada (4%). More than half of raw hides from the United States are **sent to China**.

In the **tannery** sector, the three main exporters from the Americas are **Brazil** (**2nd** global exporter, 11% of exports), the **United States** (**4th** largest exporter, 5% of exports) and **Argentina** (**6th** largest exporter, 4% of exports). They mainly export to **China**, **Italy**, **Mexico** and **Vietnam**.

In contrast, the American continent **exports very few finished goods**. Just 4% of footwear, 2% of leather goods, 1% of leather clothing and accessories exported around the world come from the Americas. However, for these three sectors, the United States continues to hold the top place among the main importers, far ahead of Canada and Mexico. The proportion of imports to the United States in global imports is tending to decline. This can be explained both by a slowdown in the demand from American consumers since the 2008 crisis as well as by the many countries whose imports are growing faster than those of the US (China, South Korea, Singapore, etc.)

The demand for finished goods from countries like Brazil and Argentina is low. They hold 46th and 35th place respectively for their imports of shoes and 29th and 45th place for imports of leather goods.

Download the Global Trade in the Leather Sector report for 2018 based on data for 2017.

The **Conseil National du Cuir, with its Economic Observatory**, is tasked with providing information to all the players in the French leather sector. Throughout the year, output includes: a brochure and country data sheets on global trade in the leather sector, a study on France's External Trade, annual surveys of the economic context by sector of activity (leathers and raw hides, tannery, footwear and leather goods), monthly economic context briefings on the global activity of French companies in the industrial leather sector and their external trade, data sheets on the annual activity of tanneries, footwear and leather goods as well as studies of the trade sector.

All this data is published on the website www.conseilnationalducuir.org

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