

WORLD TRADE IN THE LEATHER INDUSTRY IN 2018*: KEY FIGURES

In 2018, in value terms, one third of footwear and 40% of leather goods exported worldwide came from Europe. Despite French, Italian and Spanish expertise in the luxury sector, Asian countries maintained their positions. However, since 2010 the market share of the Asian powerhouse – China – has been in constant decline, and Vietnam is benefiting from this situation. It is worth noting that the upstream parts of the French leather industry are managing to keep their heads above water in a very challenging landscape.

EUROPEAN LUXURY, AN EXPORT CHAMPION

A review of France and Italy, the leading European countries in terms of exports

In 2018, France saw growth in all sectors of its leather industry. French exports represented 5% of global exports in 2018 compared with 4.4% in 2017. Gaining 0.6 percentage points allowed France to maintain its ranking as the **global leather sector's fourth largest exporter**, behind China (33.2%), Italy (11.9%) and Vietnam (11.5%), as well as its fifth place in the world rankings for exports of leather clothing and accessories (5.6% of global exports) behind China, Italy, India and Pakistan. In one year, France rose from 11th to 10th place in terms of global footwear exports (2% of global exports), close on the heels of Belgium, Spain and the Netherlands.

Until 2010, Italy had been losing ground. But since 2010, the situation has reversed. Italy gained 2 percentage points of market share between 2010 and 2012. In 2018, **Italy held second place for global exports across all sectors**, and third place for global footwear exports.



Luxury leather goods are an export winner...

In the fashion sector, accessories and leather goods were the best sellers for labels. At the global level, **France and Italy were the two main European exporters of leather goods**, thanks to their positioning on the luxury market. Exports from these two countries represented more than a quarter of global exports. In value terms, **58% of the leather goods exported worldwide came from Asia, with 40% coming from Europe**. This 40% was divided between sales within Europe (19% of global exports), sales in Asia (17%) and sales on the American continent (4%). France therefore maintained its position as the **third largest exporter of leather goods** (11.5% of global exports) thanks to its premium positioning, behind Italy (14.8%). Its saddle-stitching expertise is very sought-after by the luxury houses and the continual increase in demand for handbags has led to the opening of new workshops, with 3 000 positions to fill each year including 1 000 newly-created roles.

... But the domestic European market preferred mid-range products

In general, Europe exported its luxury leather goods while domestic consumption favoured mid-range goods. That is why **half of Europe's imports came from Asia**.

WITH CHINA'S DROP IN MARKET SHARE, VIETNAM ROSE AND INDONESIA ENTERED THE MARKET

The Asian giant is weakened

Although China remained the world's largest exporter, its declining influence is confirmed year on year (33% of global exports in 2018 against 45% in 2010). In the last 8 years, it has **lost 12 percentage points of market share**. The drop is more marked in the leather goods sector. Chinese exports of leather goods took 58% of market share in 2010, compared to 41% in 2018. A similar trend has been seen in the footwear sector, falling from 50% of global exports to 35%.

Other emerging economies are gaining ground

In 2018, the most notable progress was made by Vietnam. Its exports represented 2.7% of global exports in 2000, rising to 5.4% in 2010 and 11.5% in 2018. China's decline has benefitted Vietnam, which has performed well, particularly on the footwear market, and brought other countries, such as **Indonesia**, along in its wake. These two countries have gained ground in recent years and dominated the market, with 16.8% of global footwear exports coming from Vietnam, putting it in second place in the world rankings (followed by Italy with 9% in 2018). Indonesia represented 5.3% of exports in 2018 and sat in fourth place. In the leather goods sector, Vietnam held fourth place (5.7% of global leather goods exports) behind China (40.8%), Italy (14.8%) and France (11.5%). Only **India**, after experiencing a long period of growth that peaked in 2014, has lost ground in recent years across the entire leather sector (down 0.4% since 2015).

... To meet Western demand for affordable products

Products from Asia responded to a global demand where fashion takes precedence over functionality. Germany, Italy and France held second, third and fourth place respectively for global imports in the leather sector, after the United States. Imports from these three European countries represented 19.3% of global imports (up from 18.3% in 2015). The proportion of French imports rose from 5.4% in 2015 to 5.8% in 2018. Only the USA is bucking this upward trend. Over the same period, the proportion of imports by the United States fell from 20.1% in 2015 to 17.2% in 2018. **This slowdown in US demand affected Asia more than Europe**. Exports from Asia to the USA represented 19% of global trade, compared to 3% for exports from Europe to the United States.

Today we are seeing a change in consumption patterns, with customers leaning towards more ethical and durable items or preferring a product-service system, which involves renting items or using second-hand products. It is likely that these fundamental shifts will lead to great changes in the sector in the future.

FRANCE HAS MADE SLIGHT PROGRESS ON THE INTERNATIONAL MARKET FOR RAW MATERIALS

Despite a significant drop in global demand for sheep and goat hides, France maintained its position at the top of the rankings for leathers and raw hides.



European sales of leathers and raw hides represented **45% of global exports**: domestic sales in Europe made up 38% and exports from Europe to Asia 7%. Half the leather and raw hides exported around the world were bought by **China and Italy** (respectively 29.9% and 20.4% of global imports). Thanks to its livestock population, France remained the **third largest global exporter of leathers and raw hides** behind the United States and Australia. In value terms, 7.1% of leathers and raw hides exported in 2018 came from France, up from 6% the previous year. This increase was linked to a downturn for the United States and Australia, which lost 1.6 and 0.3 percentage points of market share respectively.

The tannery sector was struggling with exports but supplied the domestic market

In this sector, Italy experienced strong growth, with its market share rising from 20.1% in 2015 to 22.4% in 2018. **Italy was the world's largest exporter of tanned hides**, ahead of Brazil (9.9% of global exports), the United States (4.8%) and India (4.7%).

France lay in 14th place in the overall ranking of global exporters of tanned hides, gaining 0.2 percentage points of market share. In value terms, 2% of the finished leathers exported around the world came from France. France's main buyers came from **Italy (36%), Tunisia (8%) and Spain (8%)**, countries renowned for the production of finished goods, but also from the domestic market, where the luxury houses have invested in French tanneries.

Frank Boehly, President of the Conseil National du Cuir: « We are delighted that France remains a major player in the creative industries. It is important to remember that we have maintained our fourth place in the global rankings because our country can capitalize on the high levels of expertise and excellence of its passionate artisans, motivated young designers with a responsible and innovative approach and, above all, its premium positioning which is synonymous with quality – the French Touch! »

[Download the Global Trade in the Leather Sector report for 2019 based on data for 2018*](#)

* Given the time taken to obtain the statistical data from all countries, the annual report on global trade is available one calendar year later.

The **Conseil National du Cuir** and its **Economic Observatory** are tasked with providing information to all players in the French leather sector. Throughout the year, different material is produced including 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 situation by sector of activity (leathers and raw hides, tannery, footwear and leather goods), monthly reports on the global activity of French companies in the industrial leather sector and their external trade, data sheets on the annual performance of tanneries, footwear and leather goods and studies of the trade sector. All this information is published on the website www.conseilnationaldu cuir.org