



# LINEAPELLE LEATHER MARKET OVERVIEW

2<sup>nd</sup> QUARTER 2024



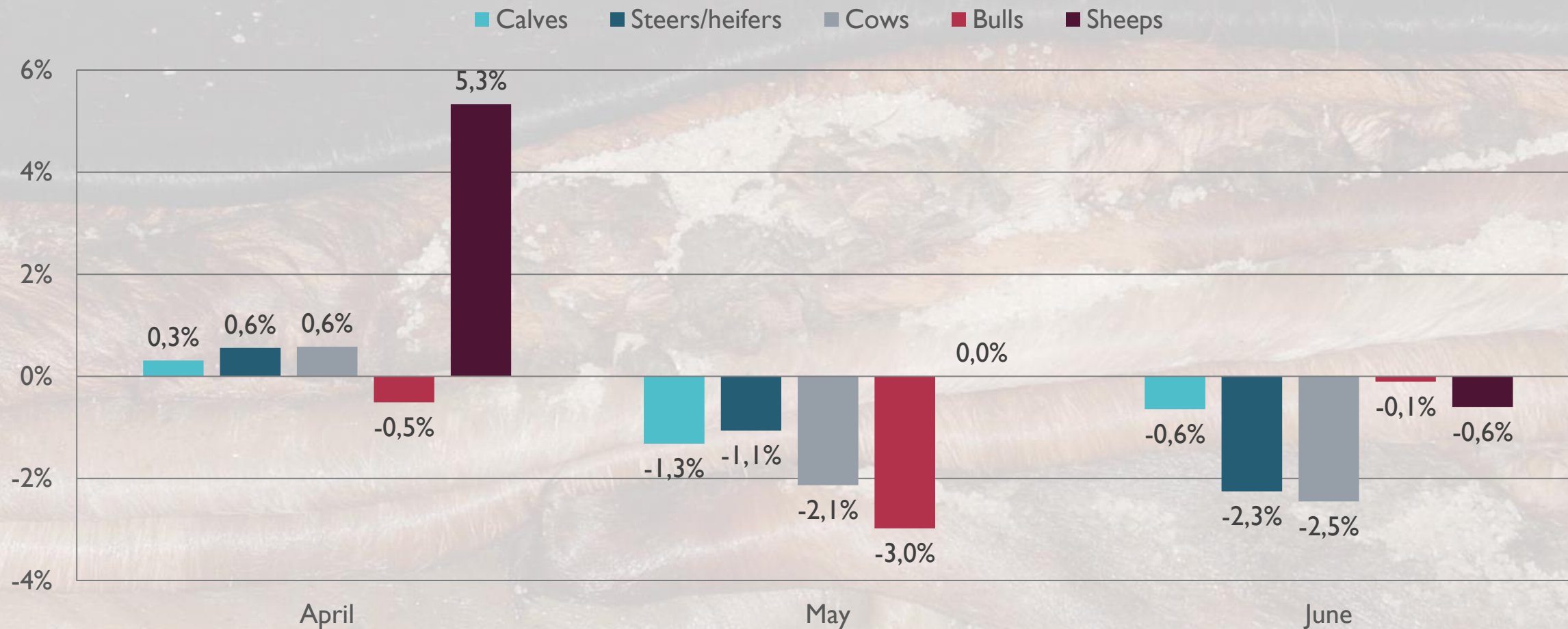
# RAW MATERIALS

## RAW AND SEMI-PROCESSED HIDES/SKINS – PRICE TRENDS

- With the notable exception of April, average quotations for the main raw and semi-processed hides and skins predominantly recorded **downward trends** during the second quarter of the year
- In the **bovine segment**, almost all animal types showed overall declining trends, with decreasing intensity as the relative size of the types increased (i.e. steeper declines for **bulls and cows hides**, slightly lighter for **calfskins and steers/heifers**)
- Average prices for **wet-blue bovine** appeared to rise very slightly in the first two months of the period, but then closed the quarter with a marked decrease, mainly due to the trend of Brazilian origins (oceanic ones were more stable)
- As for wet blue cattle, the average price index for **sheepskins** showed a positive sign in April and May, and then a negative sign in June - Among origins, more stability for Middle Eastern than European and New Zealand

# RAW MATERIALS

## RAW HIDES/SKINS - MONTHLY VARIATIONS OF AVERAGE PRICE INDICES BY ANIMAL TYPE



# RAW MATERIALS

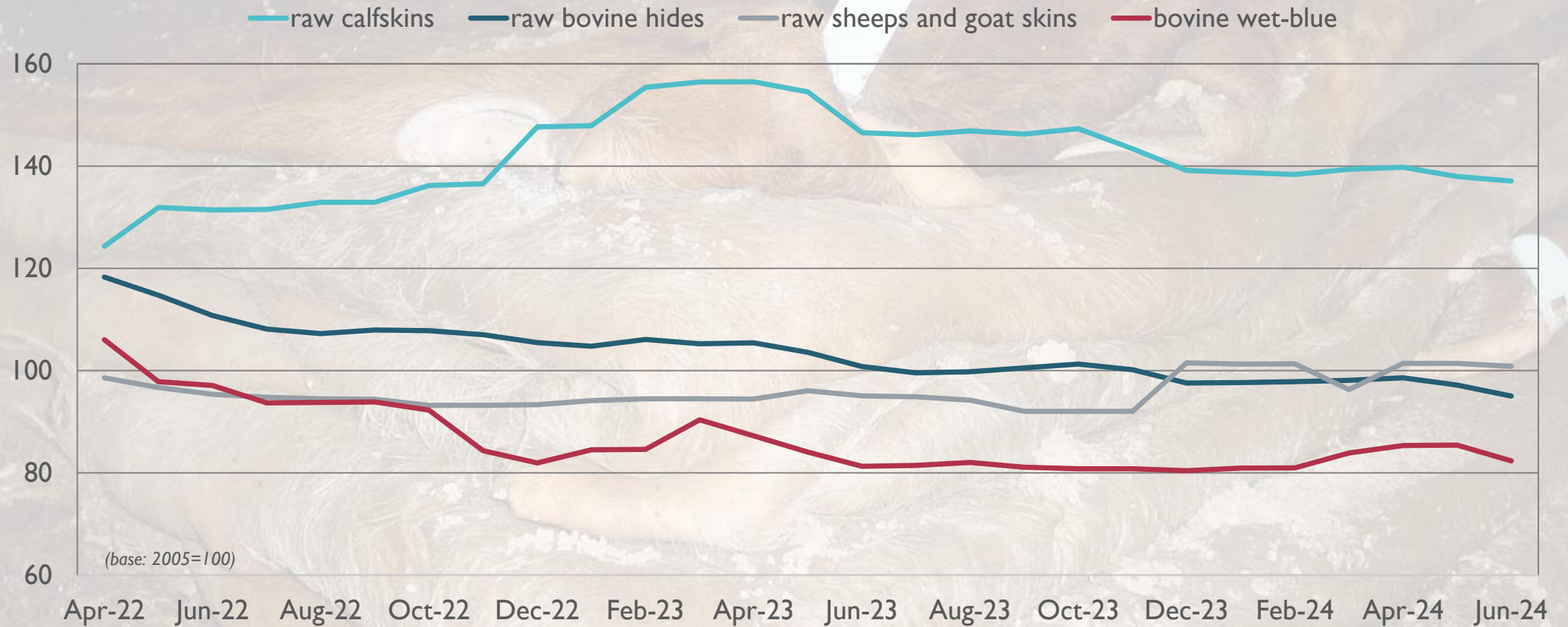
RAW HIDES/SKINS - AVERAGE PRICE CHANGES BY ANIMAL TYPE/ORIGIN (FROM JANUARY TO JUNE 2024)



Calves	-2%	Steers, bull calves, heifers	-3%	Cows	-3%	Bulls	=	Sheep	-1%
Italy	-2%	Italy (bull calves)	+1%	Italy	-1%	France	+1%	Iran	+3%
France	-2%	Germany (heifers)	=	France	=	Netherlands	-11%	Spain	-4%
Netherlands	-1%	United Kingdom (mixed)	+2%	Netherlands	=	Germany	-3%	New Zealand	-1%
Australia	=	Spain (bull calves)	-15%	Germany	-8%	New Zealand	-4%		
		United States (mixed)	-14%	Spain	-31%	Denmark	-5%		
		Australia (mixed)	-15%	United States	=				
		Sweden (mixed)	-8%	Sweden	-13%				
		New Zealand (bull calves)	=	New Zealand	-7%				
		Denmark (mixed)	-10%	Denmark	-7%				

# RAW MATERIALS

## RAW AND SEMI-PROCESSED HIDES/SKINS - LONG TERM AVERAGE PRICE INDEXES BY ANIMAL TYPE



# RAW MATERIALS

## RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING)

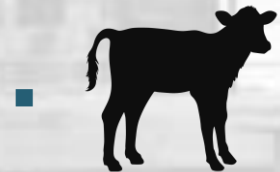
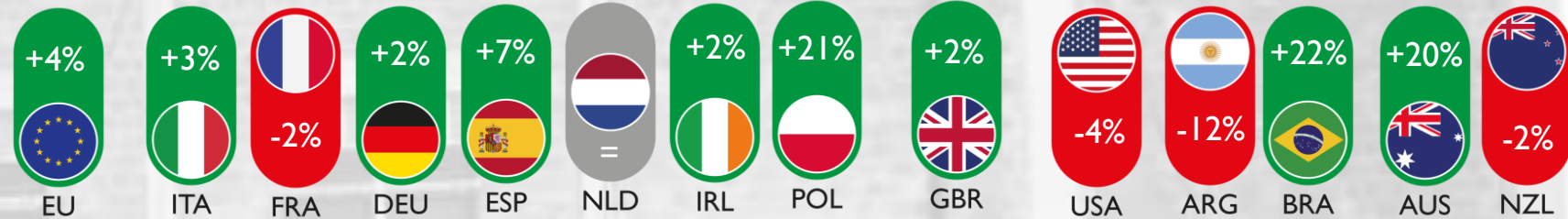
- The first half of the year concludes with an overall growth of 6% for the total volume of **adult bovine** slaughtered in the areas monitored - The European aggregate figure is positive (+4%), thanks to increases in Poland, Germany, Italy, Belgium, Ireland and the United Kingdom (stable in the Netherlands, decreases in France) - Declines for the USA, Argentina and New Zealand, against double-digit increases in Brazil and Australia
- Slight decreases, on the other hand, for overall **calves'** slaughtering (-2% in total) - Negative signs in Europe, where France and Spain fell, Italy, Belgium and Poland increased, the Netherlands and Germany remained unchanged - Outside Europe, there was still strong growth in Australia, with losses in New Zealand and the USA
- The overall **sheep** slaughtering sector in the main areas analysed declined sharply (-10%) - Double-digit loss for European production, with widespread declines in all major players (only Germany and Poland were positive) - Australia down sharply, New Zealand and the USA up

# RAW MATERIALS

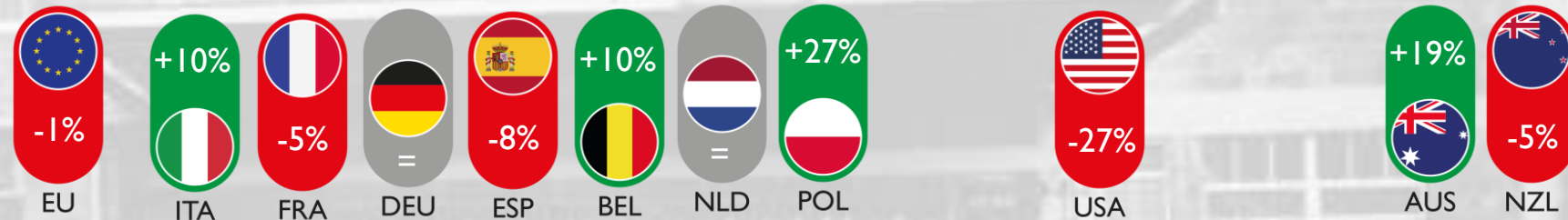
## RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING) 1<sup>ST</sup> HALF 2024 VS 1<sup>ST</sup> HALF 2023



Adult bovine:



Calves:



Sheep:



# RAW MATERIALS

## OTHER REFERENCE COMMODITIES – PRICE TRENDS AND PERFORMANCE

■ 2<sup>nd</sup> QUARTER 2024  
VS 2<sup>nd</sup> QUARTER 2023



OIL

+7%



COTTON

-5%



WOOL

-9%



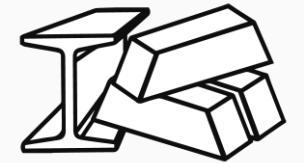
NATURAL RUBBER

+48%



SYNTHETIC RUBBER

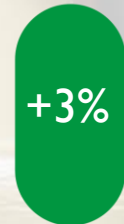
+3%



METALS

- Aluminum +7%
- Copper +7%
- Iron -4%
- Nickel -24%
- Zinc -1%

■ 1<sup>st</sup> HALF 2024  
VS 1<sup>st</sup> HALF 2023



+3%



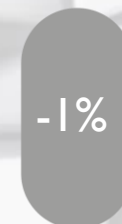
-2%



-11%



+33%



-1%

- Aluminum -5%
- Copper -2%
- Iron -3%
- Nickel -33%
- Zinc -17%



# TANNING SECTOR TRENDS

- The second quarter of the year reveals an **almost entirely negative global picture** for the production of the main tanning countries, confirming a widespread challenging moment for the material ‘leather’
- In the **medium to large bovine** segment, none of the main producing countries at global level shows a positive sign both in the analysis of the second quarter and in the aggregate of the first half of the year
- In the **small bovine (calves)** segment, only Spain shows substantial positivity
- Widely weaker **sheep and goat** segment, with the only European exceptions being exports from Spain and France

# TANNING SECTOR

## TURNOVER INDEX TRENDS IN ITALY



### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023



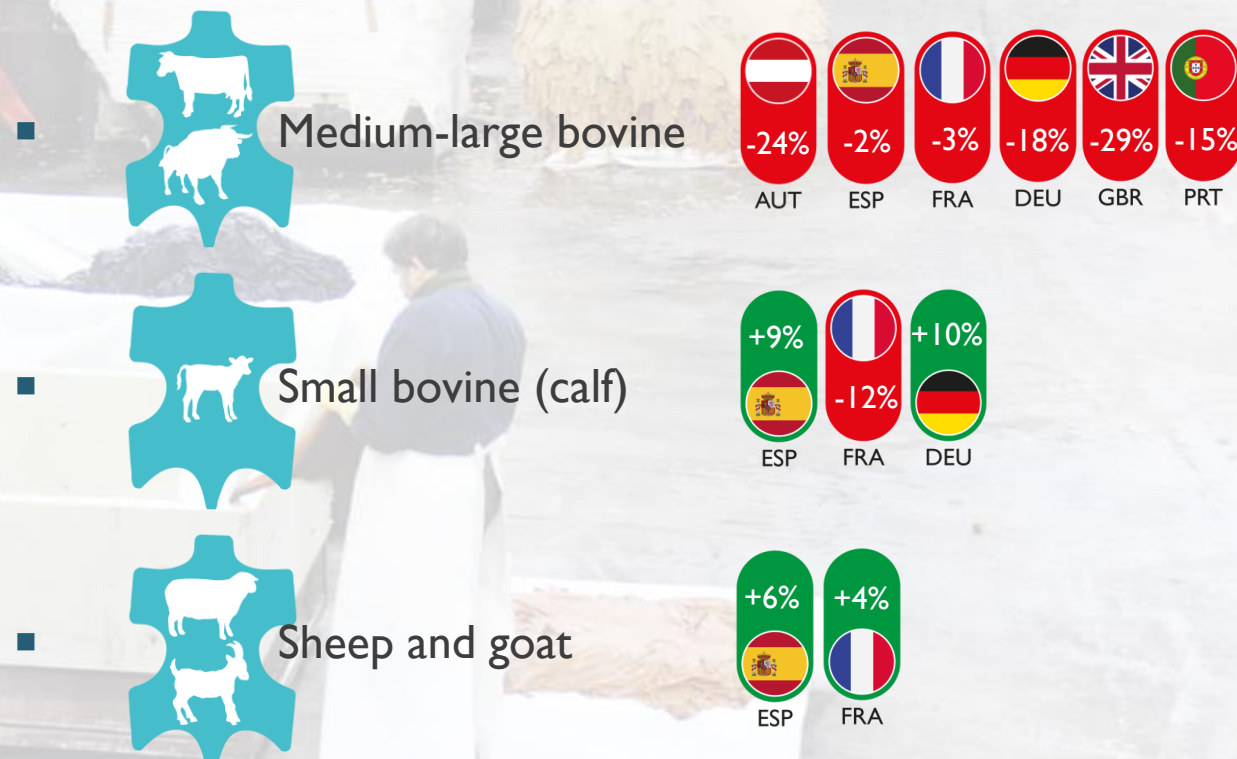
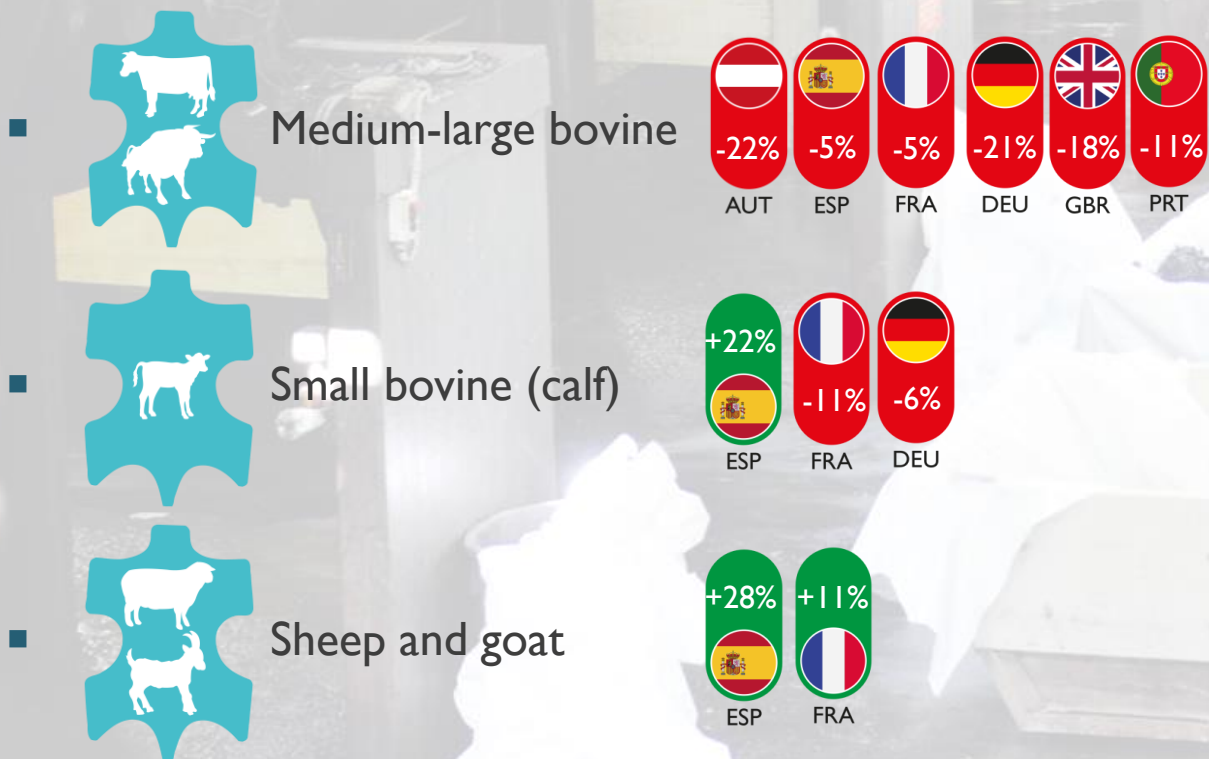
# TANNING SECTOR

## EXPORT INDEX TRENDS IN EUROPE



### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023



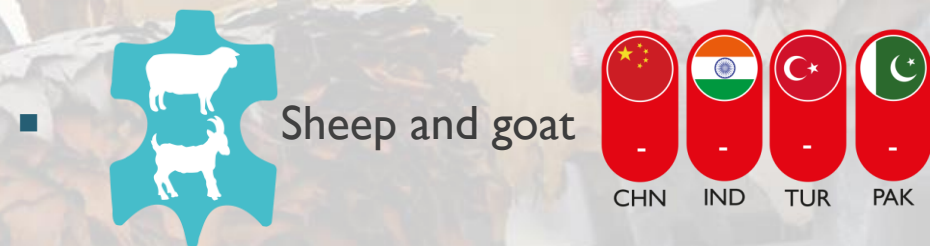
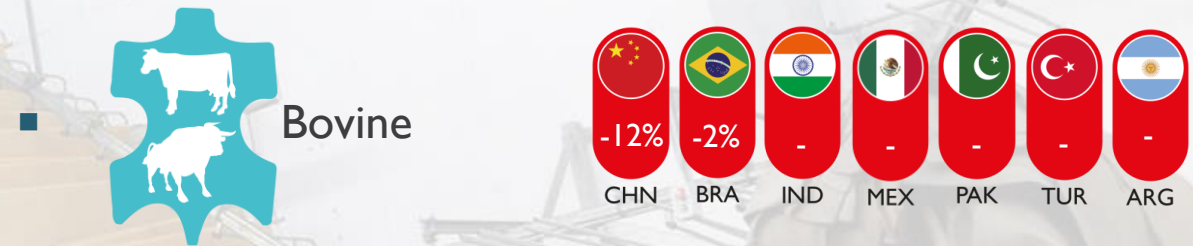
# TANNING SECTOR

## EXPORT INDEX TRENDS IN THE WORLD



### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

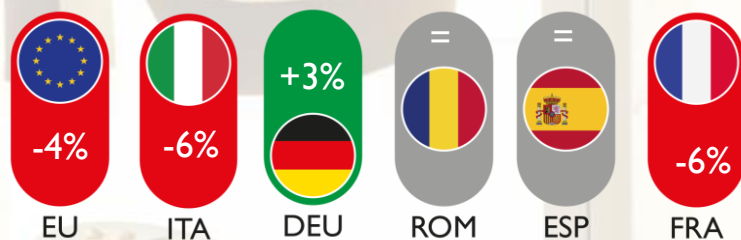


# ACCESSORIES AND COMPONENTS SECTOR

## EXPORT INDEX TRENDS

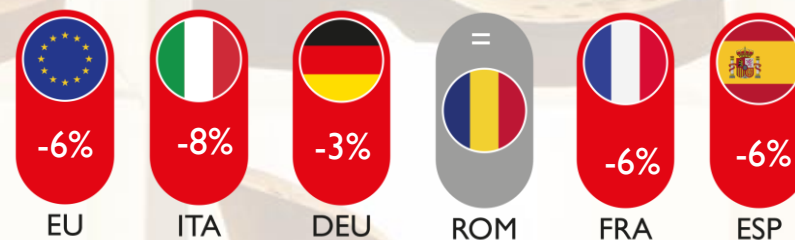
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

In the second quarter of the year, the sector continues to be mostly negative compared to the same period 2023, but with hints of improvement compared to the previous quarter. Uncertainty prevails particularly for small metal parts and other footwear parts, stability for other accessories.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

Negative performance in 2024 partial, with all major EU manufacturers on the decline with the exception of the Romanians. At the segment level, thought double-digit declines affect other footwear parts, significant but more moderate losses for small metal parts and other accessories.

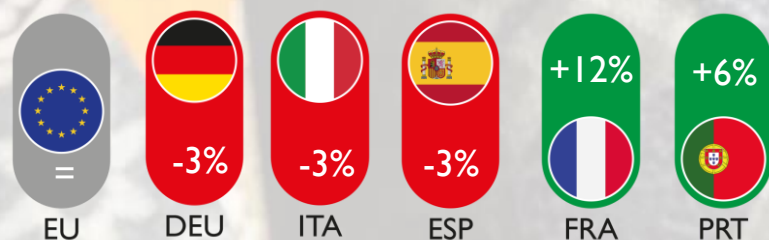


# TEXTILES AND SYNTHETICS SECTOR

## EXPORT INDEX TRENDS

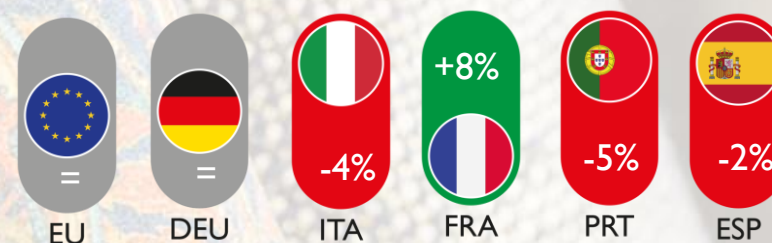
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

Industry trend improves in Q2 2024, with the EU average level on the same period last year, thanks to a bounce from the French and a recovery from the Portuguese. Stagnation for synthetic fabric materials, slight rises for the synthetic. Prevalence of negative signs for regenerated leather fibers.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

The first half of the year shows a general slowdown in the sector at the EU level, which closes in a deadlock over the previous six months tried due to weakness in the Germans and declines in the Italians despite the good performance of the French. Heavy declines for regenerated leather fibers, also bad the synthetic fabric materials. Sluggish dynamics in the synthetic.

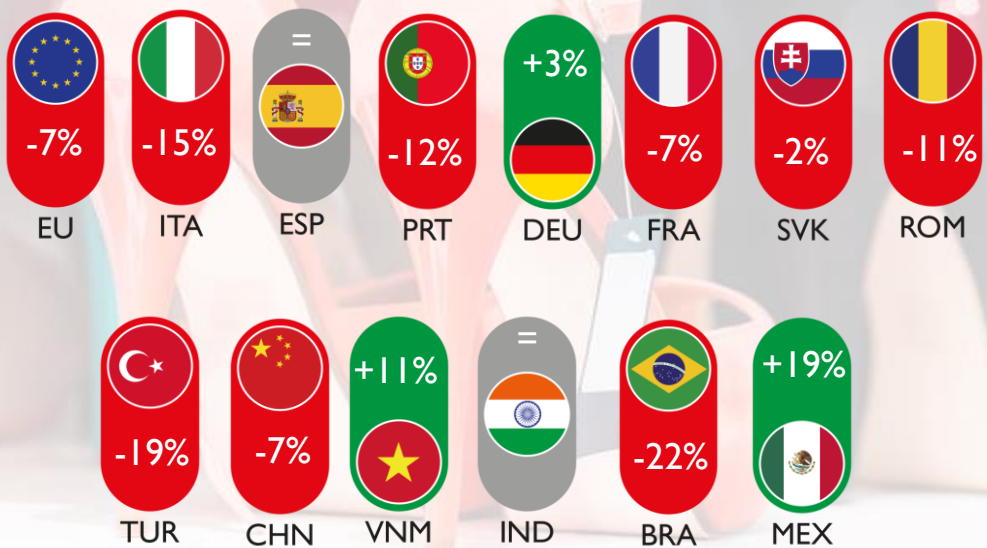


# FOOTWEAR

## EXPORT INDEX TRENDS

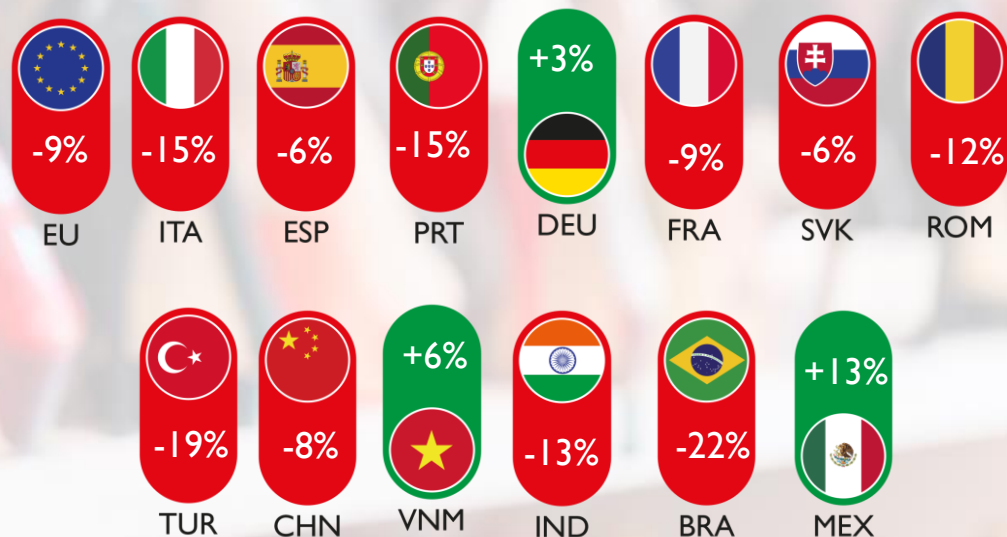
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

EU footwear momentum remains difficult, down by 7% in seasonal comparison. Lights and shadows outside Europe: declines for Turkish, Chinese and Brazilian. On the rise, however, Vietnamese and Mexican. Stability for Indian footwear manufacturers.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

The long-term comparison betrays the sector's difficulty, with marked declines for all European producers except the Germans. Predominantly negative is also the scenario outside the EU borders except for Vietnam and Mexico, which rose during the period.



## LEATHER GOODS

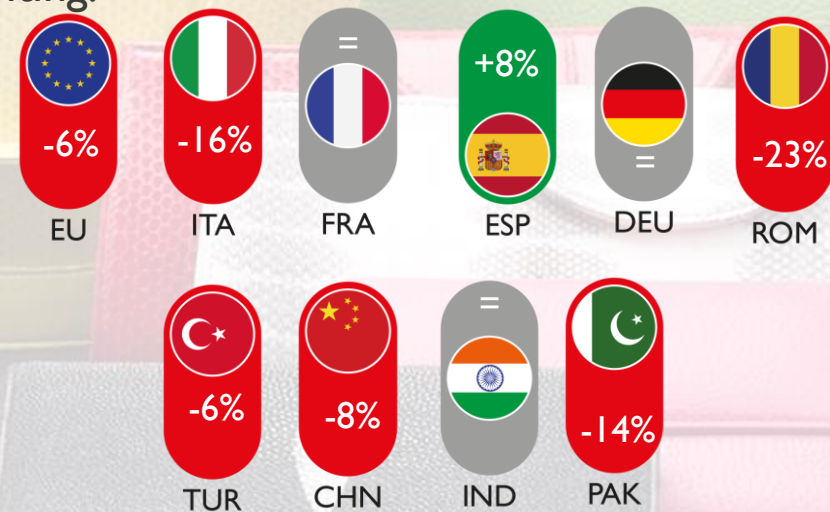
## EXPORT INDEX TRENDS

2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

Still disappointing performance of EU leather goods in the second quarter of the year. Heavy declines for Italians and Romanians, more contained losses for Germans. Sluggish French and Spanish, stable on the corresponding 2023. Overall negative non-EU picture as well except for Indians.

1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

The six-month aggregate confirms the negative trend in the sector already observed in previous quarters. Criticality especially for Italians. Stable French and Germans. Some positive signs from the Spanish. Beyond EU borders, India slows down, bringing in stability. China is disappointing.



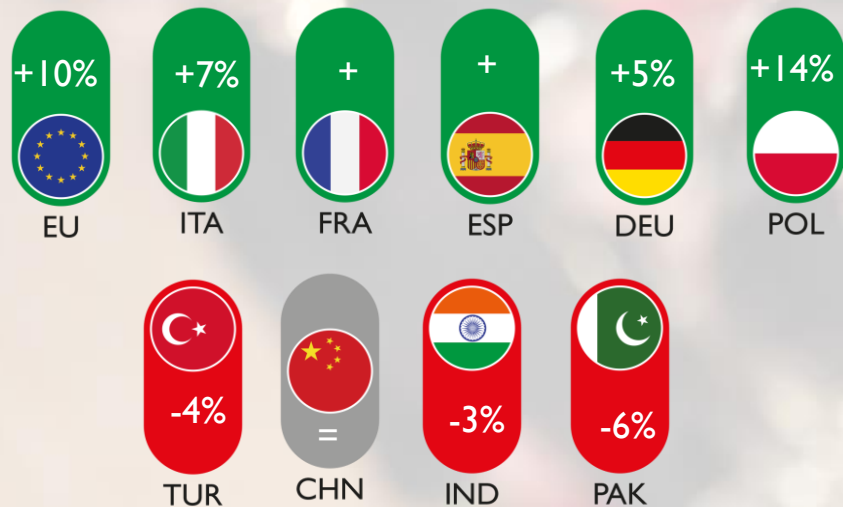


# LEATHER CLOTHING

## EXPORT INDEX TRENDS

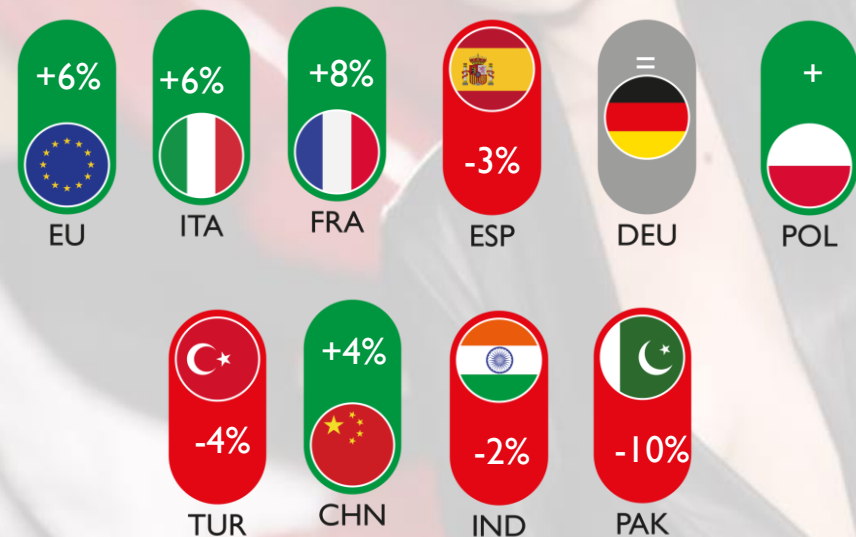
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

The seasonal comparison rewards European leather apparel, with positive signs and even marked rises for all major EU manufacturers. On the other hand, the non-European landscape is discordant, with declines affecting all the major players with the sole exception of China, which is stable.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

The first six months of the year reward the dynamics of EU manufacturers (+6%). Some difficulties for Spanish and Germans, which are slowing on the corresponding 2023. China catches up, while difficulties persist for Turks, Indians and Pakistanis.

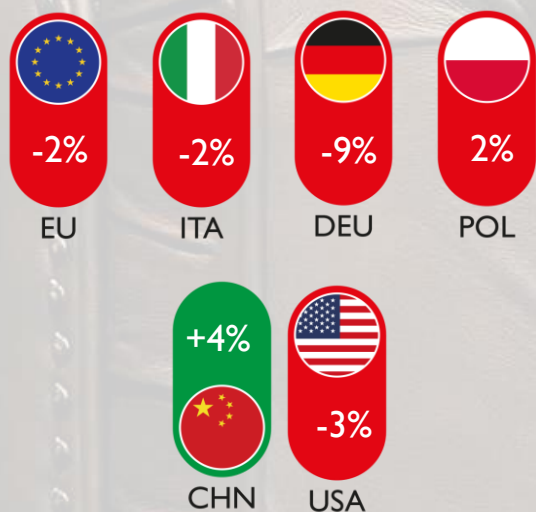


# UPHOLSTERED FURNITURE

## EXPORT INDEX TRENDS

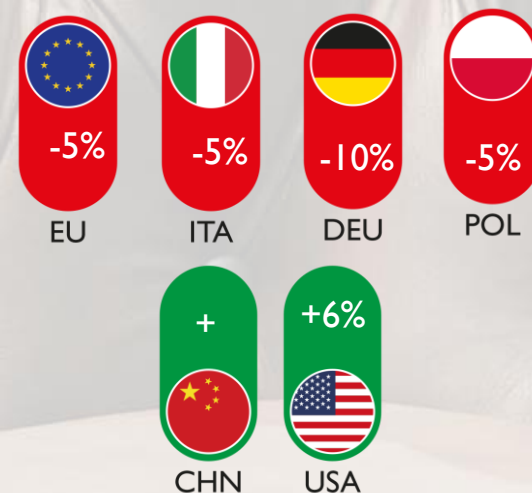
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

No sign of improvement in the furniture trend, which continued to decline in the second quarter of the year. (-2%). Criticism for Germans, Italians and Poles are stumbling instead. Further rises for China, setback instead for Americans, on the decline.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

The six-month comparison is less than forgiving, showing a decidedly bearish dynamic for the sector, with noticeable declines for Italians and Poles. Double-digit losses for Germans, on the other hand. China and the U.S. are doing well, up sharply.

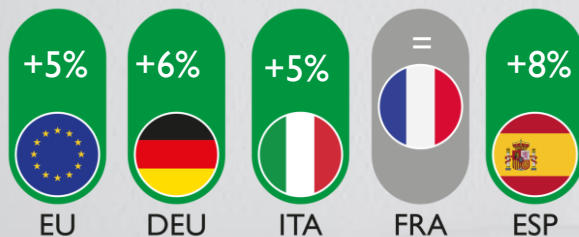


# AUTOMOTIVE

## EXPORT INDEX TRENDS

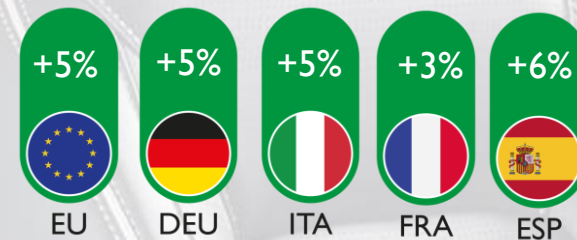
### 2<sup>nd</sup> QUARTER 2024 VS 2<sup>nd</sup> QUARTER 2023

- The growth trend of EU new car registrations in Europe (+5%) remains positive, despite a slight cooling. Modest increases affect all major manufacturers European countries apart from France, stable on the results of the second quarter 2024 in the comparison with the same period last year.



### 1<sup>st</sup> HALF 2024 VS 1<sup>st</sup> HALF 2023

- Half-year EU automotive dynamics is also good, up 5% on average in the annual comparison.



- Beyond EU borders, U.S. registrations are going up 2%. China (+6.5 %) and India (+15%) are on the rise as well.
- UK registrations up 6%.

# LUXURY

## 2024 1<sup>st</sup> HALF RESULTS

In a still rather disrupted and uncertain geopolitical and economic environment, major EU luxury fashion players record divergent performance in partial 2024.

- **LVMH** - revenues growth of 2% for the French luxury giant in the first half of 2024 (organic growth). Slower dynamics in the fashion and leather goods segment, which is stable on the results of the same period 2023. Overall good results for Louis Vuitton, Dior, Celine and Loewe. Fendi, Loro Piana and Berluti performed well.
- **KERING** - Kering slumps in partial 2024 cumulate, with revenues down by 11% (constant rates) over the period. Gucci suffers, sinking to -18% over the same period last year. Significant declines for Yves Saint Laurent -7% and the group's minor brands (-6%). The only positive note was Bottega Veneta, placing a 3% increase.
- **HERMÈS** - growth for the French fashion house remains robust, with revenues up 15% in cumulative 2024 (constant rates). In a difficult environment, all major markets showed good momentum: Japan +22%, Americas +13%, EU +18%. The growth of Asia, +10%, was more tempered. Notable performance of leather goods and saddlery division: +19%.
- **FERRAGAMO** - further declines for the Florentine brand's revenues: -11% at constant rates. Mostly negative in European and Asian markets. Smaller declines in sales to the Americas and Japan. Overall net sales down for leather goods (-12%) and footwear (-9%).
- **PRADA** - net sales up by 17% for Milanese fashion maison (constant exchange rates). Good growth for Prada (+6% retail sales in the first half), strong growth trajectory for Miu Miu (+93% retail sales). Church's recovers (+15%). Good sales trend in European (+18%), Middle East (+22%), Asia Pacific (+12%) and Americas (+7%) markets.

# NOTES

- Lineapelle processes and estimates data provided by statistical institutions, government bodies, international organizations, trade associations, retailers and other public/private sources
- Country acronyms refer to the official ISO alpha 3 classification
- Commodity prices. Historic price series are calculated on the basis of average price quotations in dollars (USD)
- Raw hides and skins/semi-processed leather prices. Historic original price series are collected by agents and publications in the industry and indexed using the base line 2005=100, maintaining the exchange currency used for purchases on the export market

By Lineapelle Economic Department

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