

## THE ITALIAN TANNING INDUSTRY IN 2018

The Italian tanning industry closed 2018 with a **production** of 128 million square meters of finished leather and 10 thousand tons of sole leather, for a total value of about 4.9 billion euro. It was an overall sluggish year, characterized by a moderate fall in value (-3.2%) and a decline in production volumes of 0.9% (-8.1% for sole leather).

After a positive 2017, **the sector had a stop**, due to a context of manufacturing demand that has gradually cooled down during the year, in a scenario of generalized weakness. The main responsible for this dynamic is the decline in demand from footwear sector, confirming to be the first destination with an incidence of 38%, together with poor continuity of leather goods and the missed relaunch of upholstered furniture. The only destination that performed brilliantly is automotive, whose share on the total has further increased.

**Export of tanned leather**, which amounted to 3.6 billion euro in 2018 and reached 122 countries, fell by 4.8%. Among the top ten foreign destination markets, export grew only towards France, Vietnam and Tunisia (country where many Italian customers have relocated their production), while shipments declined in the remaining destinations. It is worth noting the double-digit decrease of the Chinese area, which still remains the first partner of Italian tanneries. Despite the downturns, the primary contribution of foreign markets is confirmed: in 2018 the share of export on total turnover was 74%, more than double as compared to the share of early '90s.

The negative economic context has also affected all the main tanning competitors on a global level; consequently, Italian tanners further strengthened their **international leadership**. Italy is in fact firmly on top of the ranking of main tanning producer, with a share of 22% in value, and of main exporters, given that 28% of overall finished leather exported in the world is Italian.

Data for the **first months of 2019** confirm the bearish trend that characterized last year's closing, with a further deterioration.

*Source: UNIC – Conceria Italiane*